財務摘要

(以千港元為單位)

FINANCIAL HIGHLIGHTS

(Amounts expressed in HK$'000)

		綜合 Consolidated				
		1999	1998	1997	1996	1995
營業額	Turnover	**3,092,171**	2,609,248	3,014,364	3,522,047	3,481,967
營業額增長／(減少) *(%)*	Turnover increase/(decrease) *(%)*	**18.5**	(13.4)	(14.4)	1.2	21.6
税前及除特殊項目之溢利	Profit before tax and exceptional items	**421,219**	88,343	198,178	315,402	294,248
税前及除特殊項目之溢利增長／減少) *(%)*	Profit before tax and exceptional items increase/(decrease) *(%)*	**376.8**	(55.4)	(37.2)	7.2	25.6
除税及少數股東權益後溢利	Profit after tax and minority interests	**360,017**	76,087	67,975	261,233	250,228
除税及少數股東權益後溢利增長／(減少) *(%)*	Profit after tax and minority interests increase/(decrease) *(%)*	**373.2**	11.9	(74.0)	4.4	28.1
股東資金	Shareholders' funds	**1,250,765**	1,111,144	1,068,941	1,138,267	911,739
現金及銀行結存減短期銀行貸款及透支	Cash and bank balances less bank loans and overdrafts	**802,974**	339,768	192,237	178,081	196,408
營運資金	Working capital	**762,302**	700,600	654,199	670,274	495,997
總負債對股值比率	Total debt to equity ratio	**0.5**	0.3	0.3	0.4	0.7
流動比率	Current ratio	**2.2**	3.3	3.1	2.6	1.9
存貨可供銷售 *(日數)*	Inventory turnover on sales *(days)*	**28**	44	48	58	55
總資產回報率 *(%)*	Return on total assets *(%)*	**18.8**	5.3	4.8	16.5	16.4
平均股值回報率 *(%)*	Return on average equity *(%)*	**30.5**	7.0	6.2	25.5	34.4
銷售回報率 *(%)*	Return on sales *(%)*	**11.6**	2.9	2.3	7.4	7.2
每股盈利 *(仙)* – 基本	Earnings per share *(cents)* – Basic	**51.3**	10.8	9.6	36.9	38.8
每股股息 *(仙)*	Dividends per share *(cents)*	**34.5**	4.5	5.0	16.0	13.5

業務摘要

(除特別註明外，概為於年底之數字)

OPERATION HIGHLIGHTS

(Figures as at year end unless specified)

		1999	1998	1997	1996	1995
• 零售門市總數	• Total number of retail outlets	**740**	678	640	515	451
• 直接由本集團管理之零售門市數目	• Number of retail outlets directly managed by the Group	**317**	308	324	294	280
直接由本集團管理之零售門市面積 *(平方呎)*	Retail floor area directly managed by the Group *(sq. ft.)*	**358,500**	301,100	313,800	295,500	286,200
每平方呎銷售額 *(港元) (附註 1)*	Sales per square foot *(HK$) (Note 1)*	**8,400**	6,800	8,000	9,900	10,500
可比較門市之銷售額增長／(減少) *(%) (附註 2)*	Comparable store sales increase/(decrease) *(%) (Note 2)*	**21**	(13)	(11)	(6)	8
零售部門向本集團製衣部門採購之百分比	Percentage of Retail Division's purchases from the Group's Manufacturing Division	**22**	27	35	40	43
售貨員數目	Number of sales associates	**2,026**	1,681	1,929	1,958	2,069
• 僱員數目	• Number of employees	**6,237**	6,319	8,175	10,004	10,348

附註:

1. 按加權平均基準計算
2. 指於兩年作比較之財政年度內均開業十二個月之銷售點

Notes:

1. On weighted average basis
2. Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison

股東重要日期

暫停辦理股份過戶登記
二零零零年四月十九日至
二零零零年四月二十六日
(首尾兩日包括在內)

股東週年大會
二零零零年四月二十六日

股息
中期股息 : 每股6.5港仙
派發日期 : 一九九九年八月二十五日

末期股息 : 每股11.0港仙
特別股息 : 每股17.0港仙
建議派發日期 : 二零零零年五月二十五日

遞交以股代息選擇表格之期限
二零零零年五月十八日

SHAREHOLDERS' CALENDAR

Closure of Register of Members
April 19, 2000 to April 26, 2000
(both days inclusive)

Annual General Meeting
April 26, 2000

Dividends
Interim Dividend : 6.5 HK cents per share
Paid : August 25, 1999

Final Dividend : 11.0 HK cents per share
Special Dividend : 17.0 HK cents per share
Payable : May 25, 2000

Deadline for returning scrip dividend election form
May 18, 2000

董事

劉國權先生
(主席及行政總裁)
William Garrett BENNETT先生
畢滌凡先生*
陳鉅添先生
馮永昌先生
李鵬飛先生，JP*
馬灼安先生
吳士元先生
黃百全先生

** 獨立非執行*

DIRECTORS

Mr. LAU Kwok Kuen, Peter
(Chairman and Chief Executive)
Mr. William Garrett BENNETT
Mr. Barry John BUTTIFANT *
Mr. CHAN Kui Tim, Jimmy
Mr. FUNG Wing Cheong, Charles
Mr. LEE Peng Fei, Allen, JP *
Mr. MAH Chuck On, Bernard
Mr. NG Sze Yuen, Terry
Mr. WONG Pak Chuen, Paul

** Independent non-executive*

審核委員會

畢滌凡先生
李鵬飛先生，JP

AUDIT COMMITTEE

Mr. Barry John BUTTIFANT
Mr. LEE Peng Fei, Allen, JP

公司秘書

聶羨萍女士

COMPANY SECRETARY

Ms. LIP Sin Ping, Alice

授權代表

劉國權先生
陳鉅添先生

AUTHORIZED REPRESENTATIVES

Mr. LAU Kwok Kuen, Peter
Mr. CHAN Kui Tim, Jimmy

註冊辦事處

Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

REGISTERED OFFICE

Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

主要營業地點

香港
九龍
長沙灣道777-779號
天安工業大廈5樓
http://www.giordano.com.hk

PRINCIPAL PLACE OF BUSINESS

5th Floor Tin On Industrial Building
777-779 Cheung Sha Wan Road
Kowloon
Hong Kong
http://www.giordano.com.hk

法律顧問

香港
喬立本廖依敏律師行
趙天岳、鍾子良律師事務所

百慕達
顏施甘百慕達律師行

LEGAL ADVISERS

Hong Kong
Robin Bridge & John Liu
Chao and Chung

Bermuda
Appleby Spurling & Kempe

核數師

羅兵咸永道會計師事務所

AUDITORS

PricewaterhouseCoopers

主要股份過戶登記處

Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Corporate Services Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

香港股份過戶登記分處

雅柏勤證券登記有限公司
香港
中環
太子大廈2401室

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Abacus Share Registrars Limited
2401 Prince's Building
Central
Hong Kong

主要往來銀行

香港上海滙豐銀行有限公司
香港渣打銀行
萬國寶通銀行

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank
Citibank N.A.

董事

劉國權先生，現年四十七歲，主席。劉先生亦出任行政總裁兼董事總經理。彼於一九八七年加入本集團，並於一九九四年二月八日成為行政總裁，其後於一九九四年八月十日獲委任為本公司董事會主席。劉先生持有加拿大卡加里大學工商管理碩士學位。彼為加拿大特許會計師公會會員。於加入本集團前，劉先生於加拿大之私人公司及政府機構有超過十二年會計工作經驗。

William Garrett BENNETT先生，現年三十八歲，執行董事。彼負責本集團零售業務之產品發展策劃、執行及控制。彼於一九八六年加入本集團，並在一九九七年二月十一日獲委任為本公司之執行董事。彼擁有十六年時裝設計及市場推廣之經驗。

畢滌凡先生，現年五十五歲，獨立非執行董事。畢先生於一九八二年至一九八七年間擔任森那美香港有限公司之董事總經理，於一九八七年加入寶麗碧集團為其遠東業務部門之集團行政總裁。畢先生現任萬威國際有限公司之董事總經理。彼為英國特許公認會計師公會及香港會計師公會資深會員，彼亦為英國及香港管理人員協會之資深會員。彼於一九九一年五月出任為本公司之獨立非執行董事。

陳鉅添先生，現年五十歲，執行董事。陳先生亦出任本集團財務總裁。彼畢業於加拿大阿伯特大學，為加拿大特許會計師公會會員及香港會計師公會會員。彼於一九九零年加入本集團，並於一九九四年二月二十一日獲委任為本公司執行董事。加入本集團前，彼在加拿大及香港曾任職於專業會計、財務及公司管理各有關職位。

DIRECTORS

Mr. LAU Kwok Kuen, Peter, aged 47, Chairman. Mr. Lau also holds the positions of Chief Executive and Managing Director. He joined the Group in 1987 and became the Chief Executive on February 8, 1994. He was elected Chairman of the Board of Directors of the Company on August 10, 1994. Mr. Lau holds an MBA degree from the University of Calgary in Canada. He is a member of the Canadian Institute of Chartered Accountants. Prior to joining the Group, Mr. Lau had over 12 years' accounting experience in the private and public sectors in Canada.

Mr. William Garrett BENNETT, aged 38, Executive Director. Mr. Bennett directs the overall product development planning, implementation and control of the Group's retailing division. He joined the Group in 1986 and was appointed Executive Director of the Company on February 11, 1997. Mr. Bennett has 16 years' experience in fashion design and marketing.

Mr. Barry John BUTTIFANT, aged 55, Independent Non-executive Director. Mr. Buttifant was the Managing Director of Sime Darby Hong Kong Limited between 1982 and 1987. He joined the Polly Peck group in 1987 as Group Chief Executive of its Far East operations. Presently, he is the Managing Director of IDT International Limited. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Society of Accountants. He is also a fellow member of the Institutes of Management in the United Kingdom and Hong Kong. He became an Independent Non-executive Director of the Company in May 1991.

Mr. CHAN Kui Tim, Jimmy, aged 50, Executive Director. Mr. Chan also holds the position of Chief Financial Officer of the Group. He is a graduate of the University of Alberta in Canada and is a member of the Canadian Institute of Chartered Accountants and an associate member of the Hong Kong Society of Accountants. He joined the Group in 1990 and was appointed Executive Director of the Company on February 21, 1994. Prior to joining the Group, he had held various positions in public accounting, finance and corporate management in Canada and Hong Kong.

馮永昌先生，現年三十八歲，執行董事。馮先生亦出任本集團東南亞零售業務之業務總裁。彼持有香港大學學士學位。馮先生於一九八八年加入本集團，並在一九九七年二月十一日獲委任為本公司之執行董事。於加入本集團前，彼具有五年房地產業務經驗。

Mr. FUNG Wing Cheong, Charles, aged 38, Executive Director. Mr. Fung also holds the position of Chief Operations Officer of the Group's retail operations in the South East Asia. He holds a bachelor degree from the University of Hong Kong. Mr. Fung joined the Group in 1988 and was appointed Executive Director of the Company on February 11, 1997. Before joining the Group, he worked for 5 years in the real estate business.

李鵬飛先生，JP，現年五十九歲，獨立非執行董事。李先生持有香港理工大學工程博士榮譽學位及中文大學法學博士榮譽學位。彼為香港特別行政區策略發展委員會委員及中華人民共和國第九屆全國人民代表大會香港特別行政區代表，並積極參與公共事務。李先生於一九九九年九月十日起獲委任為本公司獨立非執行董事。

Mr. LEE Peng Fei, Allen, JP, aged 59, Independent Non-executive Director. Mr. Lee holds an honorary degree of Doctor of Engineering from Hong Kong Polytechnic University, an honorary degree of Doctor of Laws from Chinese University of Hong Kong. He is currently a member of the Commission on Strategic Development, Hong Kong SAR and a deputy of Hong Kong SAR, the 9th National People's Congress, PRC. He has taken an active role in public service. He was appointed Independent Non-executive Director of the Company on September 10, 1999.

馬灼安先生，現年五十歲，執行董事。馬先生亦出任本集團中國大陸零售業務之董事總經理。彼於一九九六年加入本集團，並於一九九九年六月十四日獲委任為本公司之執行董事。馬先生持有加拿大阿伯特大學商業管理學士學位及為加拿大特許會計師公會會員。在加入本集團前，馬先生曾在加拿大政府之會計及核數部門任高職達十五年。彼亦擁有工商業投資及商業管理資深經驗。

Mr. MAH Chuck On, Bernard, aged 50, Executive Director. Mr. Mah also holds the position of Managing Director of the Group's retail operations in Mainland China. He joined the Group in 1996 and was appointed Executive Director of the Company on June 14, 1999. Mr. Mah holds a bachelor degree in Business Administration from the University of Alberta in Canada and is a member of the Canadian Institute of Chartered Accountants. Prior to joining the Group, Mr. Mah had 15 years' experience in senior government positions in accounting and auditing in Canada. He also had extensive experience in industrial and commercial investment and business administration.

吳士元先生，現年四十歲，執行董事。吳先生在一九九七年二月十一日獲委任為本公司之執行董事，並負責本集團國際業務發展。彼持有澳洲新南威爾斯大學學士學位，主修商科；亦持有亞洲(澳門)國際公開大學工商管理碩士學位。彼為澳洲執業會計師公會會員。於一九九三年加入本集團前，吳先生曾於香港聯合交易所有限公司任職超過五年，彼亦曾任職羅兵咸永道會計師事務所，有數年核數工作經驗。

Mr. NG Sze Yuen, Terry, aged 40, Executive Director. Mr. Ng was appointed Executive Director of the Company on February 11, 1997 and is primarily responsible for international business development of the Group. He holds a bachelor degree major in commerce from the University of New South Wales in Australia. He also holds an MBA degree from Asia International Open University (Macau). He is a member of the Australian Society of Certified Practising Accountants. Immediately before joining the Group in 1993, Mr. Ng worked for The Stock Exchange of Hong Kong Limited for more than 5 years. He also had several years' experience in the auditing field with PricewaterhouseCoopers, certified public accountants.

黃百全先生，現年三十二歲，執行董事。黃先生亦出任本集團台灣零售業務之總經理。黃先生畢業於香港大學。彼於一九九零年加入本集團為管理見習生，並於一九九九年六月十四日獲委任為本公司之執行董事。黃先生在本集團之香港、中國大陸及台灣之零售業務取得豐富經驗。

Mr. WONG Pak Chuen, Paul, aged 32, Executive Director. Mr. Wong also holds the position of General Manager of the Group's retail operations in Taiwan. Mr. Wong is a graduate of the University of Hong Kong. He joined the Group in 1990 as management trainee and was appointed Executive Director of the Company on June 14, 1999. Mr. Wong has gained extensive experiences in the Group's retail operations in Hong Kong, Mainland China and Taiwan.

高級管理人員

SENIOR MANAGEMENT

張國良先生，現年四十八歲，亮志製衣有限公司之董事總經理。彼於一九九零年加入本集團。張先生有超過二十五年成衣製造的經驗。

Mr. CHEUNG Kwok Leung, Peter, aged 48, Managing Director of Gloss Mind Garment Manufacturing Company Limited. He joined the Group in 1990. Mr. Cheung has over 25 years' experience in the garment manufacturing industry.

林傳智先生，現年四十四歲，高級副總裁。林先生對亞洲零售業具有資深經驗。自一九七九年林先生畢業於香港中文大學後，彼一直從事零售行業，並在香港、新加坡、台灣、韓國及菲律賓等各零售市場取得豐富經驗。林先生曾於一九八六年至一九九六年間管理本集團不同地區之零售業務，其中包括香港、新加坡及台灣等市場。彼於一九九九年再度加入本集團，並駐職台灣負責國際業務發展。

Mr. LAM Chuen Chi, Leo, aged 44, Senior Vice President. Mr. Lam is a veteran in the Asian retailing industry. Ever since he graduated from Chinese University of Hong Kong in 1979, he has exposure in the retail markets in Hong Kong, Singapore, Taiwan, Korea and the Philippines. During the period from 1986 to 1996, Mr. Lam managed the Group's retail operations in different markets including Hong Kong, Singapore and Taiwan. He re-joined the Group in 1999 and stationed in Taiwan responsible for international business development.

聶羨萍女士，現年四十二歲，公司秘書兼公司事務部經理。聶女士畢業於香港理工大學，並持有英國赫爾大學工商管理碩士學位。彼為香港公司秘書公會資深會員。彼於一九九二年加入本集團，擁有十九年公司秘書方面經驗。

Ms. LIP Sin Ping, Alice, aged 42, Company Secretary and Corporate Services Manager. Ms. Lip is a graduate of Hong Kong Polytechnic University and holds an MBA degree from the University of Hull in the United Kingdom. She is a fellow member of The Hong Kong Institute of Company Secretaries. She joined the Group in 1992 and has 19 years' experience in the company secretarial field.

麥研穎女士，現年三十九歲，虎威製衣有限公司副總經理。麥女士持有加拿大多倫多大學商管學士學位。彼於一九九零年加入本集團，並負責集團於中國大陸之零售業務運作及管理。在加入本集團前，麥女士擁有八年銷售及市場推廣業務經驗。

Ms. MAK Yin Wing, aged 39, Assistant General Manager of Tiger Enterprises Limited. Ms. Mak holds a bachelor degree in Commerce from the University of Toronto in Canada. She joined the Group in 1990 and is responsible for the Group's retail operation and administration in Mainland China. Prior to joining the Group, Ms. Mak had 8 years' sales and marketing experience.

鄧惠珊女士，現年三十一歲，本集團於中國大陸製衣業務副總經理。鄧女士持有香港中文大學工商管理碩士學位。彼於一九九零年加入本集團為管理見習生。鄧女士在香港及中國大陸製衣業務取得豐富經驗。

Ms. TANG Wai Shan, aged 31, Assistant General Manager of the Group's manufacturing operations in Mainland China. Ms. Tang holds an MBA degree from Chinese University of Hong Kong. She joined the Group in 1990 as a management trainee. Ms. Tang has gained extensive experiences in manufacturing operations in Hong Kong and Mainland China.

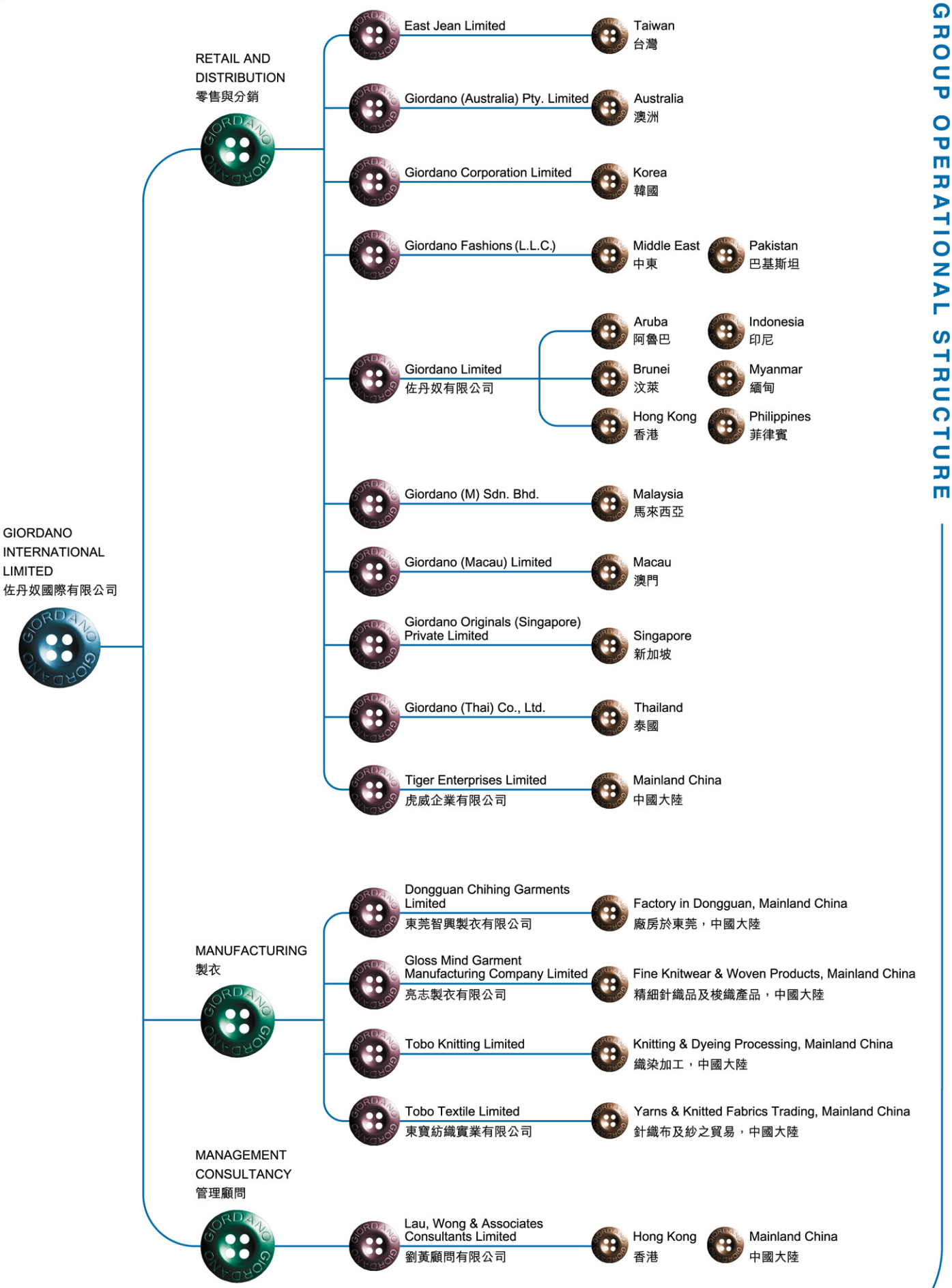
黃小萍女士，現年四十歲，佐丹奴有限公司人力資源部總監及劉黃顧問有限公司常務董事。黃女士持有香港中文大學工商管理碩士學位。彼為英國特許管理會計師公會及香港會計師公會會員。彼於一九九三年加入本集團及擁有超過十六年之人力資源、會計、特許經營、銷售及業務經驗。於加入本集團前，黃女士曾任職怡和有限公司及牛奶國際集團超過九年。

Ms. WONG Siu Ping, Christine, aged 40, Human Resources Director of Giordano Limited and Managing Director of Lau, Wong & Associates Consultants Limited. Ms. Wong holds an MBA degree from Chinese University of Hong Kong. She is an associate member of the Chartered Institute of Management Accountants and the Hong Kong Society of Accountants. She joined the Group in 1993 and has over 16 years' experience in human resources, accounting, franchising, sales and operations. Prior to joining the Group, Ms. Wong worked for Jardine Matheson & Co. and Dairy Farm Group for more than 9 years.

楊建昌先生，現年三十九歲，集團財務總監。楊先生畢業於加拿大多倫多大學。彼為加拿大安大略省公認管理會計師公會會員，在香港及加拿大擁有超過十五年財務及會計經驗。彼於一九九二年加入本集團。在本集團之香港及中國大陸零售業務亦取得豐富經驗。

Mr. YONG Kin Cheong, Samuel, aged 39, Group Financial Controller. Mr. Yong is a graduate of the University of Toronto in Canada. He is a member of the Society of Management Accountants of Ontario (CMA) and has over 15 years' experience in finance and accounting in Hong Kong and Canada. He joined the Group in 1992. He had also gained extensive experiences in the Group's retail operations in Hong Kong and Mainland China.

GROUP OPERATIONAL STRUCTURE



致列位股東：

千禧伊始、萬象更新。際此送舊迎新，本公司管理層再度憑藉堅毅靈活之精神，領導公司渡過一段漫長的地區性經濟衰退時期。經過這次史無前例之金融風暴洗禮後，本公司的實力變得更雄厚。

本集團之股東應佔溢利錄得360,000,000港元(一九九八年：76,100,000港元)新高，而本年度營業額亦高達3,092,200,000港元(一九九八年：2,609,200,000港元)。年終之現金及銀行結餘為803,000,000港元(一九九八年：339,800,000港元)，而平均存貨可供銷售日數為28天(一九九八年：44天)，此乃本公司審慎理財之成果。董事會建議派付末期股息11.0港仙及特別股息17.0港仙，兩者均可選擇以股代息，以答謝各位股東之支持。

一九九九年不明朗之消費需求，令佐丹奴管理層作出新策略，將佐丹奴品牌重新定位，創造全新商機，為長遠發展奠下穩固基礎。

管理層並已履行承諾，成功帶領公司拓展業務至澳洲及印尼兩個各有特質及良好前景之市場。本公司相信該兩個市場之業務於二零零二年會有良好表現。

本公司以強勢推出Giordano Ladies及Giordano Junior新系列，亦同時針對一般家庭消費者，積極推廣物超所值之Bluestar Exchange新品牌系列。本公司相信該等系列會於不久之將來帶來豐厚回報。

Dear Shareholders,

As we bid farewell to the old millennium and welcome the new, your Company's management has once again proved its resilience by navigating your Company through a lengthy period of regional recession. Not only has your Company survived this unprecedented economic storm, it has become stronger than ever.

Profit attributable to shareholders rose to a record high of HK$360.0 million (1998: HK$76.1 million) and turnover for the year was a respectable HK$3,092.2 million (1998: HK$2,609.2 million). Cash and bank balances at the end of the year were HK$803.0 million (1998: HK$339.8 million) and the average inventory turnover, measured in days, was 28 (1998: 44), testimony of prudent financial stewardship. The Board has recommended a final dividend of 11.0 HK cents, plus a special dividend of 17.0 HK cents, both with a scrip option, a gesture to reward our valued shareholders.

The year 1999 challenged management to come through with re-positioning of the Giordano brand in the face of uncertain consumer demands and to actualize new opportunities, laying ground for longer term growth.

As pledged, the management successfully entered Australia and Indonesia, markets having different characteristics but both with promising prospects. We believe that substantial performance from these two new markets will come about by 2002.

New lines, including Giordano Ladies, Giordano Junior and Bluestar Exchange, our new brand targeting family shoppers who look for exceptional value, were either greatly reinforced or aggressively launched. These lines will pay off handsomely in the near future.

在重整採購系統及加強與供應商之聯繫後，本公司得以為客戶提供更超值之產品及服務，而本公司亦會繼續努力革新，務求發揮整條供應鏈之潛在價值。

Restructured merchandising systems, coupled with closer alliances with our suppliers, have yielded tremendous value to our customers. Innovative efforts will continue to unleash hidden value in the entire supply chain.

在人材培訓方面，本公司之管理見習生培訓計劃已取得成果，孕育出一批在客戶服務及前線工作方面均積極進取及富管理才幹的年青人。本公司相信，這批充滿幹勁活力之新一代將於未來五年成為本公司之骨幹人員。同時，本公司亦有幸能成功吸引不少幹練及資深之零售行政人員參與開拓新市場及業務。

On people development, our Management Trainee Program has borne fruits, producing a new crop of solid managerial talents, well initiated in customer service and frontline operations. We believe that these young men and women will become your Company's core team in the next five years. At the same time, we were also fortunate to have attracted seasoned and experienced retail executives to our new markets and business start-ups.

進入新世紀新天地，本公司必定會面對更大挑戰，包括要致力在這個數碼經濟時代服務網上客戶。我們必須保持精明及冷靜，分析及了解電子貿易熱潮、全球化進程不斷加速與客戶品味喜好迅速改變互動之實質影響。本公司洞悉所面對之機會及威脅，並正準備與策略性夥伴結盟，保持優勢，以應付新挑戰。

Into the new millennium and uncharted waters, your Company must now face up to its biggest challenge — serving the digitized customers in the new digital economy. It is prudent for us to be sober in the understanding of the real implications of the interaction of the excitement of electronic trade, accelerating globalization, and the rapid changes in consumer preferences. Your Company is fully aware of both the opportunities and threats lying ahead and is forging alliances with strategic partners to ensure that we will be in a position to effectively deal with them.

佐丹奴是一間獨特之機構。本公司熱誠而投入之員工及夥伴遍佈全球，致力建立優秀客戶服務、形象鮮明及產品物超所值之國際品牌。列位股東無盡之信賴及不竭之支持，實乃各員工及業務夥伴努力貢獻之最佳動力與回報。

Giordano is a truly unique organization. Our passionate, devoted colleagues and associates all over the world are focused in creating a World Brand that will be associated with superb customer service, easy-to-understand offerings, and great product value. Your continuing trust and support will be the best motivation and reward to them all.

劉國權
主席

二零零零年三月二日

LAU KWOK KUEN, PETER
Chairman

March 2, 2000

經營業績

在一九九九年，本集團從一九九七年年底爆發之亞洲金融風暴中迅速復元，不但在銷售額及盈利上錄得可觀之增長，更能成功落實擴展計劃，開拓長期增長之前景。

本集團於一九九九年之銷售營業額增加18.5%至3,092,200,000港元，股東應佔溢利為360,000,000港元，較一九九八年增加373.2%，而每股盈利則上升至51.3港仙（一九九八年：10.8港仙）。

本集團秉承一貫策略，致力在金融風暴中保持盈利能力及在經濟復甦時把握良機。本集團在一九九八年年底開始並成功地為集團推行了若干措施：

(1) 建立品牌價值 — 雖然本集團實施嚴格成本控制政策，但在建立及推廣佐丹奴品牌為「國際品牌」方面，作出大量投資。一九九九年之廣告推廣費用總開支為65,400,000港元，與一九九八年38,800,000港元比較，增加68.6%。

(2) 提高邊際溢利 — 採購隊伍與其製衣夥伴緊密合作，並進行一系列積極進取的措施，其中包括簡化工作程序、加強溝通及合作發展產品等，最終能成功地使採購成本降至被消費者接受之水平。

(3) 控制成本 — 本集團得以繼續將經營成本維持於業內最低水平之一，有賴本集團堅守之誠信。本集團之銷售開支總額在扣除租金費用後，佔本集團一九九九年度營業額11.8%，而一九九八年則佔12.5%。無論未來市況好與壞，集團之誠信仍會是本集團之競爭優勢。

OPERATING RESULTS

In 1999, the Group recovered strongly from the Asian financial crisis that began in late 1997. Not only was the Group able to return to a respectable sales and profits growth, it also managed to put in place expansion plans for longer term growth prospects.

The Group's sales turnover in 1999 increased by 18.5% to HK$3,092.2 million and profit attributable to shareholders amounted to HK$360.0 million, an increase of 373.2% over 1998. Earnings per share rose to 51.3 HK cents (1998: 10.8 HK cents).

Under a strategy to maintain profitability during the financial crisis and to capitalize on an economic turnaround, the Group successfully executed certain measures which the Group embarked on at the end of 1998:

(1) Brand equity building — despite regimental cost control disciplines, the Group generously invested in building and promoting the Giordano name as a "World Brand". Total advertising expenditure in 1999 amounted to HK$65.4 million, compared with HK$38.8 million in 1998, an increase of 68.6%.

(2) Profit margins enhancement — the merchandising team was able to work co-operatively with its manufacturing partners to bring input costs down to levels acceptable to the consumers through a number of initiatives including work simplification, better communication and joint product development process.

(3) Cost control — the Group's fiduciary discipline again played a vital role in ensuring that Giordano continues to enjoy one of the lowest level of operating costs in the industry. Total selling expenses, excluding occupancy costs, came to 11.8% of the Group's turnover in 1999, compared with 12.5% in 1998. This discipline will continue to be the Group's competitive edge in good times or bad.

零售及分銷業務

佐丹奴品牌分銷於二十三個不同市場，幾乎全面覆蓋亞洲（日本除外）、澳洲及中東地區。

RETAIL AND DISTRIBUTION

The Giordano brand is now available in 23 markets throughout virtually all of non-Japan Asia, Australia and the Middle East.

零售部門營業額分析

RETAIL DIVISION TURNOVER ANALYSIS

		1999		1998	
		百萬港元 HK$m	%	百萬港元 HK$m	%
台灣	Taiwan	**953.1**	**36.4**	710.1	33.8
香港	Hong Kong	**681.7**	**26.0**	588.4	28.0
中國大陸	Mainland China	**543.7**	**20.8**	513.2	24.4
新加坡	Singapore	**349.2**	**13.3**	233.5	11.1
馬來西亞	Malaysia	**66.6**	**2.5**	34.5	1.7
其他	Others	**26.5**	**1.0**	21.0	1.0

本公司經過差不多十九年之經營（包括自一九九一年成為上市公司），本公司及其管理層對公司之運作更趨成熟深具信心。在一九九九年，本公司感到須進一步擴展本集團並開始研究如何能更完善覆蓋本集團產品系列組合，為全球顧客提供更佳服務。其後，經過適當的市場測試，本公司開始推出另一品牌Bluestar Exchange，並重新推出Giordano Ladies及Giordano Junior系列。該等新產品系列均設有專責管理隊伍負責管理，確保產品能夠成功發展。

After almost 19 years in operation (including as a public company since 1991), the Company and its management team have grown to be more confident of the Company's maturity. In 1999, it was felt necessary for the Group's further expansion to look into a program to complete the Group's product line portfolio to better serve its customers worldwide. Initiatives were taken, after appropriate market testing, to launch a second brand Bluestar Exchange and to re-launch Giordano Ladies and Giordano Junior. These new lines are separately managed by dedicated management teams to ensure full commitment to their successes.

台灣 TAIWAN

		1999	1998	1997	1996	1995
銷售淨額 *(百萬港元)*	Net sales *(HK$m)*	**953.1**	710.1	753.2	917.0	1,062.7
每平方呎銷售額 *(港元)**	Sales per sq. ft. *(HK$)**	**6,000**	4,300	4,500	5,700	6,400
可比較店舖之銷售額增加／(減少) *(%)***	Comparable store sales increase/ (decrease) *(%)***	**31**	(8)	(9)	(11)	(10)
零售樓面面積 *(平方呎)****	Retail floor area *(sq. ft.)****	**165,700**	156,400	168,500	164,400	159,300
售貨員數目***	Number of sales associates ***	**827**	680	787	800	837
銷售點數目 —直接管理***	Number of outlets — directly managed ***	**178**	184	191	173	170

* *按加權平均基準計算*

** *指於兩個作比較之財政年度內均開業十二個月之銷售點*

*** *於十二月三十一日*

* *On weighted average basis*

** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*

*** *As at December 31*

目前，台灣為本集團之最大市場，營業額較一九九八年增加34%。在台灣市場取得之佳績，主要是由於本集團成功將佐丹奴品牌重新定位為時尚品牌，同時透過新推出之Bluestar Exchange品牌繼續吸引精打細算之顧客。台灣市場營業額在一九九九年年中開始上升，預期在二零零零年整年會保持升勢。

Turnover in Taiwan, the Group's largest market today, increased from 1998 by 34%. This was achieved primarily with "re-marketing" the Giordano brand as a trendier label while keeping budget-minded customers with the newly launched Bluestar Exchange brand. The momentum in Taiwan, which began at mid-year, is expected to be strong throughout the year 2000.

香港 HONG KONG

		1999	1998	1997	1996	1995
銷售淨額 *(百萬港元)*	Net sales *(HK$m)*	**681.7**	588.4	762.1	926.1	947.8
每平方呎銷售額 *(港元)**	Sales per sq. ft. *(HK$)**	**9,400**	11,100	16,300	20,400	22,400
可比較店舖之銷售額增加／(減少) *(%)***	Comparable store sales increase/ (decrease) *(%)***	**8**	(22)	(18)	(6)	9
零售樓面面積 *(平方呎)****	Retail floor area *(sq. ft.)****	**100,000**	58,300	51,400	44,400	46,500
售貨員數目***	Number of sales associates ***	**441**	326	427	463	498
銷售點數目 一直接管理***	Number of outlets — directly managed ***	**61**	49	53	47	49

* *按加權平均基準計算*

** *指於兩個作比較之財政年度內均開業十二個月之銷售點*

*** *於十二月三十一日*

由於在過往兩年多來香港之失業率持續攀升，不斷出現減薪、裁員事件，加上市場氣氛普遍悲觀，故在本集團各亞洲市場中，香港零售市場大概是最遲復甦的。然而，一如其他市場，在品牌重新定位及推出新品牌後，本公司一九九九年營業額急劇上升。延續上半年之升勢，一九九九年全年之銷售總額共增加16%至681,700,000港元。雖然銷售額與一九九五年高峰期相比仍有相當距離，但可比較門市之銷售額仍錄得8%之可觀升幅。銷售樓面總面積亦增加71.5%至100,000平方呎，大部分在本年度下半年租賃。輿論一般預期零售市場將全面復甦，雖然本公司對此維持審慎樂觀，但已作好充份準備，故此踏入新世紀後無論經濟如何發展，均可應付自如。

由於整體經濟形勢使然，本公司於一九九九年得以成功縮減租金費用9.4%，而其他經營開支則溫和增長，但建立佐丹奴品牌價值之開支則有多於25%之增幅。

* *On weighted average basis*

** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*

*** *As at December 31*

The Hong Kong retail market was perhaps the last amongst the Group's Asian markets to show signs of recovery, after more than two years of escalating unemployment and widespread pay-cuts and layoffs and negative market sentiments. Again, brand re-positioning and new brand launches supported an astounding increase in the Company's turnover in 1999. Maintaining the momentum shown in the first half of the year, total sales for 1999 registered an increase of 16%, amounting to HK$681.7 million. Although still a far cry from its peak in 1995, we have recorded an increase in comparable store sales of 8%. Total saleable floor area also increased by 71.5% to 100,000 sq. ft. with most of the additions completed in the latter part of the year. Although the Company remains cautiously optimistic of a well-publicized retail market recovery, it is however poised to deal with whichever turn the economy might take in the early years of the new millennium.

In line with general economic reality, the Company realized occupancy cost savings of 9.4% for 1999. Other operating expenses remained largely benign, but expenditure towards building the Giordano brand equity, however, increased by more than 25%.

中國大陸 MAINLAND CHINA

		1999	1998	1997	1996	1995
銷售淨額 *(百萬港元)*	Net sales *(HK$m)*	**543.7**	513.2	565.2	567.4	527.1
每平方呎銷售額 *(港元)**	Sales per sq. ft. *(HK$)**	**22,500**	19,800	20,600	20,300	18,500
可比較店舖之銷售額增加／(減少) *(%)***	Comparable store sales increase/ (decrease) *(%)***	**4**	(8)	(1)	4	53
零售樓面面積 *(平方呎)****	Retail floor area *(sq. ft.)****	**24,700**	24,700	29,200	26,900	30,700
售貨員數目***	Number of sales associates ***	**350**	346	344	302	359
銷售點數目	Number of outlets					
—直接管理***	— directly managed ***	**10**	10	10	10	9
—特許經營***	— franchised ***	**243**	201	160	110	84

* *按加權平均基準計算*

** *指於兩個作比較之財政年度內均開業十二個月之銷售點*

*** *於十二月三十一日*

* *On weighted average basis*

** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*

*** *As at December 31*

中國大陸市場方面，佐丹奴在一九九九年繼續面臨艱難之經營環境。一九九九年有多個月份銷售額持續下跌。然而，自一九九九年第三季開始大幅改革採購及經營措施後，該年度銷售營業額最終上升6%至543,700,000港元。

Giordano's Mainland China market experienced another difficult year in 1999. For many months in 1999, operations reported consecutive declines in sales. Since the third quarter of 1999, however, significant improvements were made to merchandising and operations which resulted in an annual sales turnover increase of 6%, amounting to HK$543.7 million.

可比較門市之銷售額在連續兩年下跌後回升，較一九九八年增加4%。預期在零售市場復甦後，本公司遍佈全國之門市將憑藉其優勢，能在強勁之消費下受惠。由於中國大陸市場十分龐大，故針對該市場之主要工作仍是建立優良之後勤基地。

Comparable store sales also recorded an increase of 4% against 1998, after two years of decline. Upon the recovery of the retail market, it is expected that the Company's stores throughout Mainland China will be in a good position to take advantage of robust consumer spending. The main work there, given the vast territory, remains the building of good logistics.

新加坡 SINGAPORE

		1999	1998	1997	1996	1995
銷售淨額 *(百萬港元)*	Net sales *(HK$m)*	**349.2**	233.5	284.4	351.0	361.4
每平方呎銷售額 *(港元)**	Sales per sq. ft. *(HK$)**	**13,800**	8,500	10,300	14,900	16,800
可比較店舖之銷售額增加／(減少) *(%)***	Comparable store sales increase/ (decrease) *(%)***	**48**	(16)	(15)	(19)	(1)
零售樓面面積 *(平方呎)****	Retail floor area *(sq. ft.)****	**24,400**	28,000	28,700	26,400	22,000
售貨員數目***	Number of sales associates ***	**228**	202	235	233	248
銷售點數目 —直接管理***	Number of outlets — directly managed ***	**27**	31	33	30	27

* *按加權平均基準計算*

** *指於兩個作比較之財政年度內均開業十二個月之銷售點*

*** *於十二月三十一日*

* *On weighted average basis*

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*** *As at December 31*

佐丹奴在新加坡一直廣受歡迎。憑藉出眾之客戶服務及力求創新之作風，佐丹奴與顧客建立了緊密關係。由於佐丹奴之嶄新形象迅即獲市場接受，而Giordano Junior系列產品亦有出色表現，因此該市場之營業額增加了50%至349,200,000港元。

Giordano has always been a favored brand in Singapore. Giordano's legendary customer service and its commitment to innovations in the region have welded a strong bond between Giordano and its customers. The new Giordano image was instantly accepted and the Giordano Junior line was also very well received. Turnover increased 50% to HK$349.2 million.

馬來西亞 MALAYSIA

		1999	1998	1997	1996	1995
銷售淨額 *(百萬港元)*	Net sales *(HK$m)*	**66.6**	34.5	33.4	44.2	34.2
每平方呎銷售額 *(港元)**	Sales per sq. ft. *(HK$)**	**3,600**	1,900	2,000	3,200	2,400
可比較店舖之銷售額增加／(減少) *(%)***	Comparable store sales increase/ (decrease) *(%)***	**69**	(14)	8	14	(9)
零售樓面面積 *(平方呎)****	Retail floor area *(sq. ft.)****	**20,400**	18,700	17,800	14,400	13,300
售貨員數目***	Number of sales associates ***	**115**	72	66	66	65
銷售點數目	Number of outlets					
—直接管理***	— directly managed ***	**23**	19	18	14	12
—特許經營***	— franchised ***	**11**	7	8	2	—

* *按加權平均基準計算*

** *指於兩個作比較之財政年度內均開業十二個月之銷售點*

*** *於十二月三十一日*

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** *Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison*

*** *As at December 31*

雖然馬來西亞市場在一九九九年第一季相對復甦緩慢，但其後銷售增長表現強勁。一九九九年之零售銷售總額增長93%至66,600,000港元，而可比較門市之銷售額及每平方呎銷售額則分別急升69%及89%。

Following a relatively slow recovery in the first quarter, the balance of 1999 proved to be a period of solid sales growth. Total retail sales for 1999 increased by 93% to HK$66.6 million. Both comparable store sales and sales per square foot surged by 69% and 89% respectively.

此外，佔本集團之純利貢獻較一九九八年大幅上升近六倍。

Net profit contribution to the Group surged almost six times compared with 1998.

其他市場

韓國

憑藉優質貨品及客戶服務，佐丹奴品牌在韓國消費市場成功建立地位，受到消費者歡迎。除了原有之佐丹奴男裝系列外，本集團在該市場新推出之Giordano Junior系列，將會加強其產品系列。

中東

年內零售銷售額增加33%，而每平方呎銷售額更較去年大幅飆升32.3%。中東業務在一九九九年度再創新高，毛利及純利貢獻均急升。成功地進入沙地阿拉伯市場，將為本集團未來數年帶來更大增長。

菲律賓

零售銷售額較去年下跌11.6%，成績令人失望。在二零零零年，本集團將更關注該市場，以應付日趨激烈之競爭所帶來之新挑戰。

新市場

一九九九年，佐丹奴分別於六月份在澳洲墨爾本及十二月份在印尼雅加達成功開拓兩個新市場建立業務。

澳洲

至一九九九年十二月，佐丹奴在墨爾本開設了四家店舖。本集團現時仍在摸索如何迎合當地顧客之需要。然而，澳洲之業務雖暫未有盈利貢獻，但亦毋須本集團資助發展，成績令人鼓舞。

印尼

本集團三家設於印尼之門市錄得之營業額及邊際毛利均較預期為高。本集團相信在不久之將來印尼市場會為佐丹奴品牌帶來龐大發展機會。

OTHER MARKETS

KOREA

The Giordano brand, well-established amongst Korean consumers who display tremendous loyalty, has been built around superb product selection and customer service. The newly launched Giordano Junior will complement Giordano's menswear line there.

MIDDLE EAST

Retail sales for the year increased by 33% and sales per square foot rose by an amazing 32.3% compared with last year. Both gross and net profit contributions were up significantly leading to another record year for the Middle East operations in 1999. A successful entry to the Saudi Arabian market will provide further growth in the coming years.

PHILIPPINES

Retail sales registered a disappointing 11.6% decrease over last year. More attention will be put into this market in the year 2000 to meet new challenges from escalating competition.

NEW MARKETS

In 1999, Giordano successfully established operations in two new markets: Melbourne, Australia in June; and Jakarta, Indonesia in December.

AUSTRALIA

As of December 1999, four stores were established in Melbourne. The Group is still going through its learning curve to find the best way to serve the local customers there. It is encouraging to report, however, that the Australian operations, though not immediately profitable, do not require subsidies from the Group.

INDONESIA

The Group's three outlets there exceeded our expectation in both sales turnover and gross margins. The Group believes that Indonesia will offer enormous opportunities to the Giordano brand in the medium term.

製衣業務

與一九九八年比較，營業額(包括向內部客戶銷售)下降9.6%至564,900,000港元。年內製衣部門較倚重本集團內部之製衣訂單，外界客戶銷售額佔銷售總額之比率從50%降至35.5%。然而，由於零售部門積極實行向外採購計劃，製衣部門提供之產品僅佔佐丹奴品牌採購總額22%(一九九八年：27%)。

因為實行提升內部效率計劃，製衣業務對本集團之純利貢獻淨額為30,800,000港元，較一九九八年增加188.6%。製衣業務得以轉虧為盈，乃歸因於以下措施：

(1) 嚴格控制成本 — 縮減間接成本及經營開支合共節省47,000,000港元。因此，雖然市場供過於求以致邊際盈利受壓，本部門之溢利仍然有所增加。

(2) 妥善管理存貨 — 本集團成功減少存貨53,000,000港元，縮短存貨可供銷售日數至57天。

(3) 關閉菲律賓製衣廠 — 基於市場前景不明，導致生產力過剩，加上生產效率過低及成本上漲，故於一九九九年年中結束該製衣廠。關閉廠房之成本20,800,000港元已自一九九九年度之損益賬中列支。

本集團製衣部門之前景如下：

(1) 亞洲區經濟復甦使整體需求增加。

(2) 區內貨幣轉強令中國大陸成為理想採購地點。事實上，來自日本及韓國之訂單數量最近急速上升。

(3) 緊接中國大陸稍後加入世貿，世貿貿易夥伴將會撤銷與中國大陸所訂雙邊協議規定之配額制度，因而提升本集團出口產品之成本效益。

MANUFACTURING

Sales turnover, including sales to internal customers, amounted to HK$564.9 million, down 9.6% compared with 1998. The Manufacturing Division had to rely more from within the Group for production orders. Sales to outside customers decreased from 50% to 35.5% of total sales. Nevertheless, the Manufacturing Division provided only 22% (1998: 27%) of the needs of the Giordano brand due to a more aggressive outsourcing program by the Retail Division.

As a result of internal efficiency programs, net profit contribution to the Group amounted to HK$30.8 million, an increase of 188.6% over 1998. The measures which helped us achieve a turnaround situation included:

(1) Stringent cost control — an aggregate HK$47 million was saved from reducing overhead costs and operating expenses. Consequently, we were able to increase our profits despite mounting pressure on margins in a buyers' market.

(2) Sound inventory management — a reduction of HK$53 million in inventory was achieved and stock turnover days improved to 57.

(3) Shutting down the Philippines factory — having considered excess capacity in an uncertain market, unacceptable efficiency and escalating costs, the factory was closed in mid 1999. Closure costs amounted to HK$20.8 million had been charged to 1999 profit and loss account.

The outlook for our Manufacturing Division is as follows:

(1) Regional economic recovery will boost overall demand.

(2) Strengthening of the various currencies will make Mainland China an ideal country to place orders. In fact, surging orders have been received from Japan and Korea recently.

(3) The imminent admittance of Mainland China into the WTO will enhance the cost effectiveness of our exported products as the WTO trade partners will begin to abolish the quota system in their bilateral agreements with Mainland China.

針織產品部 KNITWEAR DIVISION

		1999	1998	1997	1996	1995
銷售額 *(百萬港元)*	Sales *(HK$m)*	**95.5**	202.4	347.3	643.4	665.1
於年底之每月生產量 *(千打)*	Monthly capacity at year end *('000 dozens)*	**6**	26	116	143	165
工人數目	Number of workers	**244**	711	2,411	3,842	4,577
佔銷售額之百分比：	**Percentage of sales to:**					
本集團	The Group	**74**	54	74	62	66
第三者	Third Parties					
香港	Hong Kong	**9**	2	2	6	7
美國	USA	**8**	24	3	5	2
日本	Japan	**5**	4	6	18	21
菲律賓	Philippines	**4**	14	10	7	3
中國大陸	Mainland China	**–**	1	3	–	–
其他市場	Others	**–**	1	2	2	1

梭織產品部 WOVEN DIVISION

		1999	1998	1997	1996	1995
銷售額 *(百萬港元)*	Sales *(HK$m)*	**448.8**	411.1	430.3	444.2	395.6
於年底之每月生產量 *(千件)*	Monthly capacity at year end *('000 pieces)*	**520**	590	560	610	480
工人數目	Number of workers	**2,915**	2,751	2,510	2,462	1,841
佔銷售額之百分比：	**Percentage of sales to:**					
本集團	The Group	**65**	49	57	51	67
第三者	Third Parties					
日本	Japan	**18**	35	29	44	30
香港	Hong Kong	**16**	15	10	–	–
韓國	Korea	**–**	1	4	5	3
其他市場	Others	**1**	–	–	–	–

流動現金及資金來源

本集團流動現金充裕，財務狀況亦十分穩健。於一九九九年十二月三十一日，現金及銀行結餘為803,000,000港元，而去年則為339,800,000港元。本公司之營運資金亦增加9%至762,300,000港元。

存貨減至237,700,000港元，而去年則為311,200,000港元。存貨可供銷售日數由44天續降至28天。資本投資從一九九八年53,200,000港元增至119,000,000港元，主要用於擴充門市及配合新形象裝修門市。

在本集團之遠期財務狀況方面，在一九九九年八月派付中期股息45,700,000港元及就建議派付末期及特別股息合共28港仙預留197,800,000港元（假設並無股東選擇以股代息）後，股東資金從1,111,100,000港元上升至年底之1,250,800,000港元，而平均股值回報率為30.5%，去年則為7%。長期融資租賃債務從一九九八年之26,300,000港元下降至22,000,000港元。有關融資租賃債務乃在中國大陸購買租賃土地及樓宇而作出，以人民幣為貨幣單位，須按年息率12厘計算，並以每月按固定分期付款方式償還，直至二零零五年止。尚未償還之人民幣負債並無對沖。於一九九九年十二月三十一日，本集團之總負債對股值比率為0.5，而去年則為0.3。

管理層有信心本集團有足夠資金應付營運所需及把握未來之商機。如有需要，本集團可動用本身之財務資源，包括現金及短期存款，以及來自五家主要往來銀行之貿易信貸與循環信貸共385,800,000港元。於一九九九年十二月三十一日，本集團並無動用任何該等信貸。

LIQUIDITY AND CAPITAL RESOURCES

The Group has an excellent level of liquidity as well as a strong financial position. Cash and bank balances amounted to HK$803 million as at December 31, 1999, compared with HK$339.8 million in the previous year. The working capital of the Group also increased by 9% to HK$762.3 million.

Inventories decreased to HK$237.7 million, compared with HK$311.2 million a year earlier. Inventory turnover on sales further improved from 44 days to 28 days. Capital investment was increased to HK$119 million from HK$53.2 million in 1998. The increase was mainly due to outlets expansion and renovation of existing outlets to complement to new image.

In terms of the Group's long term financial position, shareholders' equity increased from HK$1,111.1 million to HK$1,250.8 million at the end of the year, after the payment in August 1999 of the interim dividend of HK$45.7 million and allowing for HK$197.8 million for the proposed final and special dividends totalling 28 HK cents (assuming the scrip option is not exercised by any shareholder). The return on average equity was 30.5% compared with 7% a year earlier. Long term finance lease obligation decreased to HK$22 million from HK$26.3 million in 1998. The obligation is denominated in Renminbi and payable by fixed monthly instalments at an annual interest rate of 12% until 2005 for the purchase of a leasehold land and building in Mainland China. The outstanding liability in Renminbi is unhedged. As at December 31, 1999, the Group's total debt to equity ratio was 0.5 compared to 0.3 reported last year.

The management is confident that the Group has sufficient funds to meet its operation requirements and future opportunities. If necessary, the Group can draw upon its financial resources, which include cash and short term deposits, as well as trade finance and revolving loan facilities from five major banks totalling HK$385.8 million. As at December 31, 1999, the Group had not utilized any of the loan facilities.

展望

過去，本集團之優勢在於其靈活、創新及有效之管理策略。未來，亦是藉著此等優勢為新設品牌鋪設成功之道，並確保本集團之主要品牌佐丹奴在全球市場繼續屹立不倒。

本集團相信未來前景一片光明，因為：

(1) 繼韓國及新加坡市場後，其他市場已在一九九九年下半年逐漸復甦。預期香港之復甦將因各項大型基建工程之推行而加快。中國大陸經濟亦會由於加入世貿而高速發展。事實上，市場一致認為各地經濟增長動力正加強，預期不久後經濟將會更為蓬勃；

(2) 利用本集團之充裕流動現金及現金儲備，本集團會透過一系列策略大力拓展業務：

(a) 對同類業務或公司進行策略投資，務求達致協同效應，使本集團業務得以增值及提高營運效率，以便加速全球化發展之進程；

(b) 對本集團新開發的市場有計劃地及更有系統地發展，並爭取新市場之佔有率；

(c) 不斷擴展至各地新市場；

(d) 推出姊妹品牌Bluestar Exchange、Giordano Ladies及Giordano Junior使本集團之「產品系列組合」更為完善。此策略與本公司逐一建立品牌的「品牌組合」策略有所不同；及

OUTLOOK

In the past, the Group's strength has been founded on its flexibility, innovation and effective management strategies. In the future, these are the very same elements which will pave the way for newly created sister brands and continue to ensure a strong position in the global market for the Group's core brand, Giordano.

The future is promising for us for many reasons:

(1) Following the lead of Korea and Singapore, other Asian markets have also gradually begun to recover in the second half of 1999. In Hong Kong, the recovery is expected to be accelerated by the mega infrastructure projects being undertaken. In Mainland China, the admittance into the WTO will provide a significant boost for the economy. The consensus is that growth momentum is gathering and a more vibrant economy is in sight;

(2) To capitalize on our strong cash flow and rich cash reserve, we will scale up our expansion plan by pursuing a number of strategies:

(a) invest strategically in companies in similar lines of business and companies that would offer us synergies for value-added and improvement of operating efficiencies, thus allowing us to speed up our globalization process;

(b) grow organically in markets where we have recently established ourselves and those where we have captured new market shares;

(c) continue our geographical expansion to new markets;

(d) complete our "product line portfolio" by offering our sister brands of Bluestar Exchange, Giordano Ladies and Giordano Junior. This strategy is distinctively differentiated from a "brand portfolio" strategy in that the Company will build brands, one by one, from the ground floor up; and

(e) 尋求與傑出之互聯網科技公司成立策略聯盟，共同進軍數碼經濟之全新領域。現時本集團之互聯網頁每月瀏覽人次經已超過500,000名，情況令人鼓舞。

本集團之零售及分銷業務之發展已超越本身之製衣業務。本集團雖紮根於製衣業，但本集團之零售業務發展至今已十分成熟，使本集團能夠專注於零售業務，並足以有效地在這競爭激烈之全球零售市場爭一席位。本集團有相當部分之製衣業務權益已由其現有之管理層收購，本集團則保留過半數股份。此項新安排不但有助培育本集團僱員之企業家精神，更使核心管理人員可集中管理零售及分銷業務。而本集團之零售部門亦可有更大自由度在公開市場選擇各產品之最佳供應商。

(e) pursue the formation of strategic alliances with prominent internet technologies players capable of working with us to navigate the uncharted waters of the new digital economy. It is encouraging to note that our existing web-sites have attracted over half a million visitors a month.

The Group's retail and distribution activities have been outgrowing our own manufacturing operations. The Group, having grown from a manufacturing root, is now sufficiently mature to focus on retailing in order to compete effectively in the new global competitive arena. A significant equity in certain manufacturing operations has been acquired by its existing management team, with the Group retaining a majority share. This new arrangement will not only cultivate entrepreneurship in the Group, it will also permit core management team to be fully dedicated to retail and distribution. The Group's retail arm will have even more freedom in choosing the best provider of any product category on the open market.

1999

ASIAMONEY
INVESTOR'S CHOICE IN HONG KONG
- BEST MANAGED SMALL COMPANY
投資者之選擇
- 香港最優秀管理之小型企業

FAR EASTERN ECONOMIC REVIEW - REVIEW 200
遠東經濟評論 - REVIEW 200
INNOVATIVE IN RESPONDING TO CUSTOMER NEEDS - Top spot
不斷革新以應顧客要求 - 榜首

COMPANIES THAT OTHERS TRY TO EMULATE - No. 2 spot
被其他公司欲趕上之公司 - 第二位

FORBES
福布斯
ONE OF THE 300 BEST SMALL COMPANIES IN THE WORLD
入選為全球300間最佳小型企業之一

HONG KONG RETAIL MANAGEMENT ASSOCIATION
香港零售管理協會
1999 HKRMA CUSTOMER SERVICE AWARD
1999香港零售管理協會優質顧客服務獎

INTERBRAND PTE LTD
TOP 50 ASIAN BRANDS (EXCLUDING JAPAN) - Rank 20
亞洲區(不包括日本)首50著名品牌 - 第二十位

1998

AMERICAN SOCIETY FOR TRAINING & DEVELOPMENT
1998 ASTD EXCELLENCE IN PRACTICE AWARD :
CUSTOMER SERVICE INITIATIVE
1998 ASTD最佳應用獎 : 顧客服務為本
- Performance Improvement Category
表現進步組別

FAR EASTERN ECONOMIC REVIEW - REVIEW 200
遠東經濟評論 - REVIEW 200
INNOVATIVE IN RESPONDING TO CUSTOMER NEEDS - Top spot
不斷革新以應顧客要求 - 榜首

COMPANIES THAT OTHERS TRY TO EMULATE - No. 5 spot
被其他公司欲趕上之公司 - 第五位

HONG KONG AWARDS FOR SERVICES 香港服務業獎
1998 HKTDC SERVICES AWARD - EXPORT MARKETING
1998 香港貿易發展局服務業獎 - 出口市場推廣

HONG KONG RETAIL MANAGEMENT ASSOCIATION 香港零售管理協會
MYSTERY SHOPPERS PROGRAMME 神秘顧客計劃
- Service Industry Leader : Fashion & Accessories Category
服務行業領袖獎 : 服裝及飾物組別

1998 SERVICE & COURTESY AWARD
1998 傑出服務獎
- Fashion & Accessories Category
時裝飾物店組別
- Special Awards : The Award for Service Innovation
最具服務創意獎 : 特別獎

1998 HKRMA CUSTOMER SERVICE AWARD
1998 香港零售管理協會優質顧客服務獎

LABOUR DEPARTMENT 勞工處
LABOUR DEPARTMENT AWARD FOR EFFECTIVE STAFF COMMUNICATION
勞工處頒發 : 有效勞資溝通獎
- Silver Award 銀獎

1997

ASIA INC.
ASIA'S 50 MOST COMPETITIVE COMPANIES
亞洲50間最具競爭力公司
- Rank 14
第十四位

FAR EASTERN ECONOMIC REVIEW - REVIEW 200
遠東經濟評論 - REVIEW 200
INNOVATIVE IN RESPONDING TO CUSTOMER NEEDS - Top spot
不斷革新以應顧客要求 - 榜首

COMPANIES THAT OTHERS TRY TO EMULATE - No. 6 spot
被其他公司欲趕上之公司 - 第六位

HONG KONG AWARDS FOR SERVICES
香港服務業獎
1997 HONG KONG AWARDS FOR SERVICES : CUSTOMER SERVICE
1997 香港服務業獎 : 優質顧客服務

HONG KONG RETAIL MANAGEMENT ASSOCIATION
香港零售管理協會
MYSTERY SHOPPERS PROGRAMME
神秘顧客計劃
- Service Category Leader : Fashion & Accessories Category
服務組別領袖獎 : 服裝及飾物組別
- Service Industry Leader
服務行業領袖獎

1996

ASIAN INSTITUTE OF MANAGEMENT
亞洲管理學會
THE ASIAN MANAGEMENT AWARDS
亞洲管理大獎
- People Development & Management
人力資源及管理
- Marketing Management
市場管理

FAR EASTERN ECONOMIC REVIEW - REVIEW 200
遠東經濟評論 - REVIEW 200
INNOVATIVE IN RESPONDING TO CUSTOMER NEEDS - Top spot
不斷革新以應顧客要求 - 榜首

COMPANIES THAT OTHERS TRY TO EMULATE - No. 2 spot
被其他公司欲趕上之公司 - 第二位

THE HONG KONG MANAGEMENT ASSOCIATION
香港管理專業協會
A PASSION FOR SERVICE EXCELLENCE PROGRAMME
卓越服務計劃
- Overall Winner of the Award for Excellence in Training 1996
1996 最佳管理培訓獎 : 全場總冠軍
- Winner of the Award for Excellence in Training 1996 : Strategic HRD Category
1996 最佳管理培訓獎 : 策略性人力資源管理組別冠軍

HONG KONG RETAIL MANAGEMENT ASSOCIATION
香港零售管理協會
MYSTERY SHOPPERS PROGRAMME
神秘顧客計劃
- Service Category Leader : Fashion & Accessories Category
服務組別領袖獎 : 服裝及飾物組別
- Service Industry Leader
服務行業領袖獎

1995

FAR EASTERN ECONOMIC REVIEW - REVIEW 200
遠東經濟評論 - REVIEW 200
INNOVATIVE IN RESPONDING TO CUSTOMER NEEDS - Top spot
不斷革新以應顧客要求 - 榜首

COMPANIES THAT OTHERS TRY TO EMULATE - No. 2 spot
被其他公司欲趕上之公司 - 第二位

HONG KONG RETAIL MANAGEMENT ASSOCIATION
香港零售管理協會
1995 SERVICE & COURTESY COMPANY AWARD - Gold Award
1995 傑出服務公司獎 - 金獎

SERVICE & COURTESY AWARD
傑出服務獎
- Boutiques/Specialty Stores Category
時裝店/專門店組別

HONG KONG TRADE DEVELOPMENT COUNCIL
香港貿易發展局
1995 HONG KONG AWARDS FOR INDUSTRY
1995 香港工業獎
- Trade Development Council Export Marketing Award
貿易發展局出口市場推廣獎

董事會同寅茲向全體股東提呈本公司及本集團截至一九九九年十二月三十一日止年度之報告書及已審核賬目。

The directors have pleasure in submitting their report together with the audited accounts of the Company and the Group for the year ended December 31, 1999.

主要業務

PRINCIPAL ACTIVITIES

本公司為一投資控股公司。本集團之主要業務為經營零售及分銷「佐丹奴」、「GIORDANO LADIES」、「GIORDANO JUNIOR」及「BLUESTAR EXCHANGE」等品牌物有所值便服及配襯用品。本集團亦同時經營成衣製造業務，供應集團零售業務需求，並向本集團以外之人士供應製成品。

The Company is an investment holding company. The principal business of the Group is the retailing and distribution of value for money casual apparel and accessories under the "GIORDANO", "GIORDANO LADIES", "GIORDANO JUNIOR" and "BLUESTAR EXCHANGE" brands. The Group also carries on apparel manufacturing operations which support the Group's retailing business and supply products to third parties.

按照業務範圍劃分，本集團之營業額及營業溢利(扣除融資成本)之貢獻分析如下：

An analysis of the Group's turnover and contribution to operating profit (after finance costs) by activities is as follows:

		1999		1998	
		營業額 Turnover 千港元 HK$'000	**營業溢利之貢獻 Contribution to operating profit 千港元 HK$'000**	營業額 Turnover 千港元 HK$'000	營業溢利之貢獻 Contribution to operating profit 千港元 HK$'000
零售及分銷	Retail and Distribution	**2,891,450**	**317,000**	2,296,395	56,168
製衣	Manufacturing	**200,721**	**30,838**	312,853	10,684
		3,092,171	**347,838**	2,609,248	66,852

按照地區劃分，本集團之營業額分析如下：

The geographical analysis of the Group's turnover is as follows:

		1999 千港元 HK$'000	1998 千港元 HK$'000
台灣	Taiwan	**953,141**	710,125
香港	Hong Kong	**771,045**	652,594
中國大陸	Mainland China	**545,760**	517,806
新加坡	Singapore	**349,224**	233,521
韓國	Korea	**154,241**	92,597
日本	Japan	**82,838**	150,835
馬來西亞	Malaysia	**77,845**	39,682
中東	Middle East	**54,337**	43,537
菲律賓	Philippines	**35,838**	70,615
泰國	Thailand	**21,028**	13,137
美國	United States of America	**11,103**	47,460
其他地區	Other territories	**35,771**	37,339
		3,092,171	2,609,248

財務資料

本集團截至一九九九年十二月三十一日止年度之業績、現金流動及本公司與本集團於該日之財政狀況俱載於第47至85頁之賬目內。

FINANCIAL INFORMATION

The results and cash flow of the Group for the year ended December 31, 1999, and the state of affairs of the Company and of the Group as at that date, are set out in the accounts on pages 47 to 85.

五年財務摘要

本集團過去五個財政年度之業績、資產及負債摘要載於第86頁。

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 86.

主要供應商及客戶

本年度內，本集團首五大供應商合佔本集團之總採購額約31.3%，而最大供應商佔本集團之總採購額約9.3%。本集團首五大客戶合佔本集團之營業額則低於30%。

據董事所知，概無董事及彼等之聯繫人士(按香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)之涵義)或任何股東(根據董事所知持有5%或以上本公司之股份)於截至一九九九年十二月三十一日止年度在本集團之五大供應商擁有權益。

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the five largest suppliers of the Group accounted for approximately 31.3% of the Group's aggregate purchases and the largest supplier accounted for approximately 9.3% of the Group's aggregate purchases. The aggregate percentage of the Group's turnover attributable to the Group's five largest customers are less than 30%.

As far as the directors are aware, none of the directors and their associates within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules"), or any shareholder (who to the knowledge of the directors owned more than 5% of the Company's share capital) had any interest in the five largest suppliers of the Group for the year ended December 31, 1999.

股息

中期股息每股6.5港仙(一九九八年：1.0港仙)已於一九九九年八月二十五日派發。

截至一九九九年十二月三十一日止之財政年度，董事會向股東建議派發末期股息每股11.0港仙(一九九八年：3.5港仙)及特別股息每股17.0港仙(一九九八年：無)，並均予股東權利可選擇以新股份代替現金方式收取。

DIVIDENDS

An interim dividend of 6.5 HK cents (1998: 1.0 HK cent) per share was paid on August 25, 1999.

The directors recommend to shareholders the payment of a final dividend of 11.0 HK cents (1998: 3.5 HK cents) per share and a special dividend of 17.0 HK cents (1998: Nil) per share, both with an option to elect to receive new shares in lieu of cash, for the financial year ended December 31, 1999.

股本及購股權

本公司之股本及本公司已授出之購股權於年內變動詳情載於第71至76頁之賬目附註19。

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital of the Company and share options granted by the Company during the year are shown in note 19 to the accounts on pages 71 to 76.

購回、售出或贖回本公司上市股份

本公司於本年度內在聯交所購回共1,622,000股本公司每股面值0.10港元之股份，所有購回之股份已被本公司註銷。董事會認為購回股份可提高本公司之每股盈利及價值。有關在本年度內購回股份之詳情載於第72及73頁之賬目附註19。

除上述披露外，在本年度內本公司或其任何附屬公司概無購買、出售或贖回任何本公司之股份。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased a total of 1,622,000 of its own shares of HK$0.10 each on the Stock Exchange, all of which were cancelled. The directors consider the share repurchases will lead to an enhancement of the Company's earnings per share and the value of its shares. Details on the shares repurchased during the year are set out in note 19 to the accounts on pages 72 and 73.

Save as disclosed above, neither the Company nor any of its subsidiaries, otherwise purchased, sold or redeemed any of the Company's shares during the year.

股份優先購買權

本公司之細則中並無股份優先購買權之規定，而百慕達法例則無限制此等權利。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws although there are no restrictions against such rights under the laws of Bermuda.

儲備金

本年度儲備金之變動情況載於第77至79頁之賬目附註20。

RESERVES

Movements in reserves during the year are set out in note 20 to the accounts on pages 77 to 79.

固定資產

本年度內，集團共添置約119,000,000港元之固定資產。本年度固定資產之變動情況載於第66及67頁之賬目附註13。

FIXED ASSETS

During the year, the Group acquired fixed assets of approximately HK$119 million. Movements in fixed assets during the year are set out in note 13 to the accounts on pages 66 and 67.

附屬公司

本公司於一九九九年十二月三十一日之主要附屬公司之詳情載於第83至85頁之賬目附註28。

SUBSIDIARIES

Details of the Company's principal subsidiaries at December 31, 1999 are set out in note 28 to the accounts on pages 83 to 85.

慈善捐款

本集團在本年度內之慈善捐款為901,000港元(一九九八年：234,304港元)。

CHARITABLE DONATIONS

Donations made for charitable purposes by the Group during the year amounted to HK$901,000 (1998: HK$234,304).

董事會

本年度內及截至本報告日為止之董事為：

劉國權先生

William Garrett BENNETT 先生

畢滌凡先生

陳鉅添先生

馮永昌先生

李鵬飛先生，JP (於一九九九年九月十日獲委任)

馬灼安先生(於一九九九年六月十四日獲委任)

吳士元先生

黃百全先生(於一九九九年六月十四日獲委任)

張國良先生(於一九九九年十二月二十日辭任)

吳卓明先生(於一九九九年十月一日辭任)

根據本公司細則第98及101(B)條，William Garrett Bennett 先生、李鵬飛先生，JP、馬灼安先生及黃百全先生於即將舉行之股東週年大會上輪值告退，備選再任。

截至本報告日，本公司董事及本集團高級管理人員之履歷載於第6至9頁。

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Mr. LAU Kwok Kuen, Peter

Mr. William Garrett BENNETT

Mr. Barry John BUTTIFANT

Mr. CHAN Kui Tim, Jimmy

Mr. FUNG Wing Cheong, Charles

Mr. LEE Peng Fei, Allen, JP (appointed on September 10, 1999)

Mr. MAH Chuck On, Bernard (appointed on June 14, 1999)

Mr. NG Sze Yuen, Terry

Mr. WONG Pak Chuen, Paul (appointed on June 14, 1999)

Mr. CHEUNG Kwok Leung, Peter (resigned on December 20, 1999)

Mr. Edward James WU (resigned on October 1, 1999)

Messrs. William Garrett Bennett, Lee Peng Fei, Allen, JP, Mah Chuck On, Bernard and Wong Pak Chuen, Paul will retire at the forthcoming Annual General Meeting in accordance with Bye-Laws 98 and 101(B) of the Company's Bye-Laws and, being eligible, offer themselves for re-election.

Biographical details of the directors of the Company and senior management of the Group as at the date of this report are set out on pages 6 to 9.

董事享有權益之合約

本公司或其任何附屬公司概無參與訂立於年終或年內任何時間使本公司任何董事擁有不論直接或間接之重大權益之合約。

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors had a material interest, whether directly or indirectly, in any contract of significance subsisting during or at the end of the year to which the Company or any of its subsidiaries was a party.

董事於股份之權益

於一九九九年十二月三十一日，董事實益擁有本公司的股份如下：

DIRECTORS' INTERESTS IN SHARE CAPITAL

At December 31, 1999, the interests of the directors in the share capital of the Company were as follows:

董事	Director	持有股份數目及權益性質 Number of shares held and nature of interest				已授出而尚未行使之購股權可認購股份之數目 Number of shares over which options have been granted which remained outstanding
		個人 Personal	家屬 Family	法團 Corporate	總額 Total	
劉國權	Lau Kwok Kuen, Peter	3,220,000	–	–	3,220,000	15,000,000
陳鉅添	Chan Kui Tim, Jimmy	1,500,000	–	–	1,500,000	11,000,000
馮永昌	Fung Wing Cheong, Charles	–	–	–	–	700,000
馬灼安	Mah Chuck On, Bernard	–	–	–	–	704,000
吳士元	Ng Sze Yuen, Terry	196,000	–	–	196,000	–
黃百全	Wong Pak Chuen, Paul	170,000	–	–	170,000	922,000

除上述披露外，各董事及彼等之聯繫人士概無於本公司或其任何相聯法團（按證券（披露權益）條例（「該條例」）之涵義）之股本權益中擁有任何須遵照該條例第28條知會本公司及聯交所之權益（包括根據該條例第31條或附件第I部被視為或假定擁有之權益）或須遵照該條例第29條列入所述之登記名冊內之權益。

Save as disclosed above, none of the directors and their associates had any interests in the share capital of the Company or its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("Ordinance")) which have to be notified to the Company and the Stock Exchange pursuant to section 28 of the Ordinance (including interests which they are deemed or taken to have under section 31 of, or Part I of the Schedule to, the Ordinance) or which are required, pursuant to section 29 of the Ordinance, to be entered in the register referred to therein.

董事購入股份或債券之權利

本年度內，本公司沒有向本公司之董事授予任何可認購本公司股份之購股權。此外，沒有任何董事於年內行使在以往年度授予之購股權。

除上述者外，本公司或其任何附屬公司年內概無訂立任何安排，致使本公司董事可藉購入本公司或其他法團之股份或債券而獲益。

DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the year, none of the directors of the Company was granted options to subscribe for shares of the Company. In addition, none of the options granted to the directors previously was exercised by the directors during the year.

Apart from the above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東權益

就董事所知，於一九九九年十二月三十一日，本公司根據該條例第16條規定存置之登記冊內之記錄，並無任何人士直接或間接擁有本公司已發行股本10%或以上之權益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as the directors are aware, no parties were, directly or indirectly, interested in 10% or more of the issued share capital of the Company as at December 31, 1999 as recorded in the register required to be kept by the Company under section 16 of the Ordinance.

服務合約

在即將召開之股東週年大會上應選連任之董事，概無與本公司或其附屬公司訂立本集團不可於一年內無須賠償(法定補償除外)而終止之服務合約。

SERVICE CONTRACTS

The directors being proposed for re-election at the forthcoming annual general meeting do not have any service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

銀行貸款、透支及其他借款

於一九九九年十二月三十一日，除其他借款須於以下期間償還外，本公司並無銀行貸款及透支：

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

At December 31, 1999, the Company did not have any bank loans and overdrafts except other borrowings which were repayable over the following periods:

		融資租賃債務 Obligations under finance leases 千港元 HK$'000
即付或一年內	On demand or within one year	4,258
一年至兩年內	Between one and two years	4,258
兩年至五年內	Between two and five years	12,772
五年以上	Over five years	710
		21,998

遵守最佳應用守則

董事會認為，本公司於本年度內一直遵守上市規則附錄14所載之最佳應用守則（除指引7：本公司之非執行董事乃根據本公司細則獲委任至輪值告退為止；及指引11：根據公司政策，董事酬金是由本公司董事會委任之補償委員會（由兩位執行董事、兩位獨立非執行董事及一位獨立管理顧問組成）處理）。

COMPLIANCE WITH CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year, except in relation to guideline 7: as non-executive directors of the Company are appointed for a term expiring upon their retirement by rotation as required by the Company's Bye-Laws; and guideline 11: as a matter of Company policy, remuneration of directors is dealt with by a compensation committee appointed by the board of directors of the Company which comprises two executive directors, two independent non-executive directors and an independent management consultant.

應付公元二零零零年電腦問題

本集團注意到當公元二零零零年來臨時，部分電腦程式及硬件可能不可以正常運作。董事會已委任由十位成員組成之項目小組，以確保本集團所用之全部系統均符合公元二零零零年規格。

繼本集團於一九九九年中期報告作出有關披露後，本集團欣然宣布有關符合公元二零零零年規格項目已於一九九九年第三季完成，項目工程包括對電腦系統作出全面檢討、提升及更換、測試及應用。本集團之電腦系統已順利地從一九九九年十二月三十一日過渡至二零零零年一月一日，並且一切運作無礙。迄今，過渡公元二零零零年對本集團之運作並無任何不利影響。

為符合公元二零零零年規格項目而提升電腦硬件及改良電腦軟件動用之費用約為4,000,000港元。本集團對有關符合公元二零零零年規格項目並無其他承擔數額。

YEAR 2000 COMPLIANCE

The Group is well aware that certain computer programs and hardwares in use might not function effectively in year 2000. The board of directors has appointed a project team comprising ten members to ensure all systems in use by the Group are Year 2000 compliant.

Further to the Group's latest disclosure made in the 1999 Interim Report, the Group is pleased to announce that the Year 2000 compliance program, including reviews, modification and replacement work, testing and implementation, was completed in the third quarter of 1999. The Group's computer systems functioned smoothly during the transition from December 31, 1999 to January 1, 2000. To date, the turn of the millennium has not caused any adverse effect on the Group's operations.

The costs provided for and incurred for the Year 2000 compliance project for upgrading the hardware and modifying the software were approximately HK$4,000,000. The Group has no further commitments in respect of the Year 2000 compliance project.

核數師

羅兵咸永道會計師事務所願膺選連任，而續聘彼等之有關決議案將於股東週年大會上提呈。

承董事會命

劉國權
主席

香港，二零零零年三月二日

AUDITORS

PricewaterhouseCoopers, being eligible, offer themselves for re-appointment, and a resolution to this effect will be proposed at the forthcoming Annual General Meeting.

On behalf of the board

LAU KWOK KUEN, PETER
Chairman

Hong Kong, March 2, 2000

PRICEWATERHOUSECOOPERS

羅兵咸永道會計師事務所

致 GIORDANO INTERNATIONAL LIMITED 全體股東
(於百慕達註冊成立之有限公司)

本核數師已完成審核刊於第47至85頁按照香港普遍採納之會計原則編製之賬目。

董事及核數師各自之責任

公司董事有責任編製真實兼公平之賬目。在編製該等真實兼公平之賬目時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等賬目作出獨立意見，並向股東報告。

意見之基礎

本核數師已按照香港會計師公會頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與賬目所載數額及披露事項有關之憑證，亦包括評審董事於編製賬目時所作之重大估計和判斷，所採用之會計政策是否適合本公司及本集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

TO THE SHAREHOLDERS OF GIORDANO INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the accounts set out on pages 47 to 85 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等賬目是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等賬目所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

意見

OPINION

本核數師認為，上述之賬目在各重大方面足以真實兼公平地顯示貴公司及貴集團於一九九九年十二月三十一日結算時之財政狀況，及貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例之披露規定妥為編製。

In our opinion, the accounts give a true and fair view, in all material respects, of the state of affairs of the Company and the Group as at December 31, 1999 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

羅兵咸永道會計師事務所
香港執業會計師

香港，二零零零年三月二日

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 2, 2000

截至一九九九年十二月三十一日止年度 For the year ended December 31, 1999

		附註 Note	1999 千港元 HK$'000	1998 千港元 HK$'000
營業額	Turnover	2	**3,092,171**	2,609,248
銷售成本	Cost of sales		**(1,740,088)**	(1,580,732)
毛利	Gross profit		**1,352,083**	1,028,516
其他收益	Other revenues	2	**142,287**	105,204
分銷成本	Distribution costs		**(784,924)**	(753,517)
管理費用	Administrative expenses		**(146,696)**	(123,587)
其他經營費用	Other operating expenses		**(211,633)**	(186,379)
經營溢利	Operating profit	3	**351,117**	70,237
融資成本	Finance costs	4	**(3,279)**	(3,385)
應佔聯營公司溢利	Share of profits of associated companies		**73,381**	21,491
除税前溢利	Profit before taxation		**421,219**	88,343
税項	Taxation	7	**(59,540)**	(12,179)
除税後溢利	Profit after taxation		**361,679**	76,164
少數股東權益	Minority interests		**(1,662)**	(77)
股東應佔溢利	Profit attributable to shareholders	8	**360,017**	76,087
股息	Dividends	9	**243,527**	31,540
每股盈利	Earnings per share	10		
– 基本	– Basic		**51.3¢**	10.8¢
– 攤薄	– Diluted		**50.7¢**	10.8¢

一九九九年十二月三十一日 December 31, 1999

		附註 Note	集團 Group 1999 千港元 HK$'000	集團 Group 1998 千港元 HK$'000	公司 Company 1999 千港元 HK$'000	公司 Company 1998 千港元 HK$'000
資產	**ASSETS**					
非流動資產	**Non-current assets**					
無形資產	Intangible assets	11	**2,168**	2,998	**–**	–
遞延稅項	Deferred taxation	12	**–**	7,447	**–**	–
固定資產	Fixed assets	13	**279,536**	240,161	**1,493**	1,590
發展中物業	Property under development	14	**133,972**	133,060	**–**	–
所佔附屬公司之權益	Interest in subsidiaries	15	**–**	–	**947,785**	1,041,269
所佔聯營公司之權益	Interest in associated companies	16	**99,019**	49,920	**–**	–
其他投資	Other investments	17	**–**	–	**–**	–
			514,695	433,586	**949,278**	1,042,859
流動資產	**Current assets**					
存貨	Inventories	18	**237,746**	311,197	**–**	–
應收賬款及票據	Trade and bill receivables		**95,068**	100,379	**–**	–
其他應收賬款、訂金及預付款項	Other receivables, deposits and prepayments		**261,558**	247,054	**7,050**	2,077
預付稅款	Tax prepaid		**–**	3,406	**89**	89
現金及銀行結存	Cash and bank balances		**802,974**	339,768	**466,084**	178,389
			1,397,346	1,001,804	**473,223**	180,555
流動負債	**Current liabilities**					
應付賬款及票據	Trade and bill payables		**240,215**	195,985	**–**	–
其他應付賬款及應付費用	Other payables and accruals		**169,904**	76,466	**2,090**	1,550
融資租賃債務之流動部分	Current portion of obligations under finance leases	21	**4,258**	4,261	**–**	–
稅項	Taxation		**22,830**	–	**–**	–
擬派股息	Proposed dividends	9	**197,837**	24,492	**197,837**	24,492
			635,044	301,204	**199,927**	26,042
流動資產淨值	**Net current assets**		**762,302**	700,600	**273,296**	154,513
總資產扣除流動負債	**Total assets less current liabilities**		**1,276,997**	1,134,186	**1,222,574**	1,197,372
非流動負債	**Non-current liabilities**					
融資租賃債務	Obligations under finance leases	21	**17,740**	21,998	**–**	–
			1,259,257	1,112,188	**1,222,574**	1,197,372
少數股東權益	Minority interests	22	**8,492**	1,044	**–**	–
資產淨值	**NET ASSETS**		**1,250,765**	1,111,144	**1,222,574**	1,197,372

一九九九年十二月三十一日 December 31, 1999

		附註 Note	集團 Group 1999 千港元 HK$'000	集團 Group 1998 千港元 HK$'000	公司 Company 1999 千港元 HK$'000	公司 Company 1998 千港元 HK$'000
股本及儲備金	**CAPITAL AND RESERVES**					
股本	Share capital	19	**70,656**	69,979	**70,656**	69,979
儲備金	Reserves	20	**1,180,109**	1,041,165	**1,151,918**	1,127,393
			1,250,765	1,111,144	**1,222,574**	1,197,372

劉國權
LAU KWOK KUEN, PETER
董事
Director

陳鉅添
CHAN KUI TIM, JIMMY
董事
Director

截至一九九九年十二月三十一日止年度 For the year ended December 31, 1999

		附註 Note	1999 千港元 HK$'000	1998 千港元 HK$'000
經營業務所得現金流入淨額	**Net cash inflow from operating activities**	25	**607,255**	236,949
投資回報與融資償還:	**Returns on investments and servicing of finance:**			
收取利息	Interest received		**26,230**	10,632
支付利息	Interest paid		**(133)**	(232)
融資租賃之利息支出	Interest on finance leases		**(3,146)**	(3,153)
收取聯營公司股息	Dividends received from associated companies		**8,266**	9,870
支付少數股東股息	Dividend paid to minority shareholders		**(483)**	–
支付股息	Dividends paid		**(70,182)**	(7,048)
投資回報與融資償還之現金(流出)/流入淨額	**Net cash (outflow)/inflow from returns on investments and servicing of finance**		**(39,448)**	10,069
稅項:	**Taxation:**			
繳付香港利得稅	Hong Kong profits tax paid		**(499)**	(1,970)
繳付海外稅項	Overseas tax paid		**(9,443)**	(10,878)
已繳稅項	**Tax paid**		**(9,942)**	(12,848)
投資業務:	**Investing activities:**			
購買固定資產	Purchase of fixed assets		**(119,003)**	(53,200)
發展中物業之增加	Additions to property under development		**(912)**	(26,295)
出售固定資產收入	Proceeds from sale of fixed assets		**2,290**	3,821
出售其他投資項目收入	Proceeds from sale of other investments		**–**	386
少數股東的資本投入	Capital contribution from minority shareholders		**7,163**	417
購買附屬公司餘下權益	Purchase of remaining interest in a subsidiary		**–**	(2,213)
購買無形資產	Purchase of intangible assets		**–**	(998)
三個月以上之銀行定期存款	Bank deposits with maturity over three months from date of deposits		**(182,818)**	–
投資業務之現金流出淨額	**Net cash outflow from investing activities**		**(293,280)**	(78,082)
融資前之現金流入淨額轉第51頁	**Net cash inflow before financing carried forward to page 51**		**264,585**	156,088

截至一九九九年十二月三十一日止年度 For the year ended December 31, 1999

		附註 Note	1999 千港元 HK$'000	1998 千港元 HK$'000
融資前之現金流入淨額 承第50頁	**Net cash inflow before financing brought forward from page 50**		**264,585**	156,088
融資:	**Financing:**			
償還融資租賃債務	Repayment of obligations under finance leases	26	**(4,261)**	(4,370)
發行股份收入	Proceeds from issue of share capital		**19,024**	–
股份購回	Repurchase of shares	19	**(3,563)**	(5,676)
融資所得現金流入/(流出)淨額	**Net cash inflow/(outflow) from financing**		**11,200**	(10,046)
現金及現金等額之增加	**Increase in cash and cash equivalents**		**275,785**	146,042
年初現金及現金等額結存	**Cash and cash equivalents at the beginning of the year**		**339,768**	192,237
外幣匯率變動之影響	**Effect of foreign exchange rate changes**		**4,603**	1,489
年終現金及現金等額結存	**Cash and cash equivalents at the end of the year**	27	**620,156**	339,768

截至一九九九年十二月三十一日止年度 For the year ended December 31, 1999

		附註 Note	1999 千港元 HK$'000	1998 千港元 HK$'000
未於綜合損益賬中確認之海外附屬公司及分公司賬目換算差額	Exchange differences arising from translation of the accounts of overseas subsidiaries and a branch not recognized in the Consoldiated Profit and Loss account	20	**6,272**	7,333
本年度溢利	Profit for the year		**360,017**	76,087
已確認收益總額	Total recognized gains		**366,289**	83,420
從儲備中直接對銷之商譽	Goodwill eliminated directly against reserves	20	**–**	(4,001)
			366,289	79,419

一九九九年十二月三十一日

1. 主要會計政策

由於採用會計實務準則第一及第二號，若干比較數字經重新編列，以符合本年度之呈報方式。

在編製賬目中所採用之主要會計政策列出如下：

(a) 編製基礎

本賬目按照香港公認會計原則及香港會計師公會頒佈之會計實務準則編製。本賬目按照歷史成本編製。

(b) 綜合基準

(i) 綜合賬目包括本公司及其附屬公司截至一九九九年十二月三十一日止之賬目。

(ii) 集團內部之重大交易及結餘已於綜合賬目時對銷。

(iii) 於本年度內收購或出售之附屬公司業績由收購或出售生效日起計算在綜合損益賬內。

(iv) 出售附屬公司之收益或虧損指出售所得之收入與集團應佔公司資產淨值(連同之前並未在綜合損益賬內支銷或入賬之商譽或資本儲備)之差額。

(v) 少數股東權益指外界股東所佔附屬公司經營成果及資產淨值之權益。

December 31, 1999

1 PRINCIPAL ACCOUNTING POLICIES

As a result of adoption of Statements of Standard Accounting Practice No.2.101 and 2.102, certain comparative figures have been extended to conform with the current year's presentation.

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with the accounting standards issued by the Hong Kong Society of Accountants. The accounts are prepared under the historical cost convention.

(b) Basis of consolidation

(i) The consolidated accounts incorporate the accounts of the Company and its subsidiaries made up to December 31, 1999.

(ii) All material intercompany transactions and balances within the Group are eliminated on consolidation.

(iii) The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated profit and loss account from/up to the effective dates of acquisition or disposal.

(iv) The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which was not previously charged or recognized in the consolidated profit and loss account.

(v) Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

一九九九年十二月三十一日

1. 主要會計政策（續）

(b) 綜合基準（續）

(vi) 於綜合賬目時產生之資本儲備或商譽是指收購附屬公司時該附屬公司資產淨值之公平價值超越或低於投資成本所產生之數。

(vii) 於綜合賬目時產生之資本儲備直接撥入儲備金內。而綜合商譽會與綜合資本儲備對銷，如儲備金數額不足以對銷，則在其他儲備金賬目中抵銷。

(c) 附屬公司

附屬公司指本集團直接或間接持有多於50%投票權或已發行股本或擁有組成董事會之控制權之公司。

附屬公司投資數額，以成本納入本公司之資產負債表內，並根據董事之意見減除永久減值準備。

(d) 聯營公司

聯營公司乃除附屬公司外本集團長期持有其股本權益並對其管理有重大影響力之公司。

綜合損益賬包括本集團應佔聯營公司之業績，而綜合資產負債表則包括本集團應佔聯營公司資產淨值加已付溢價及減除折扣。

December 31, 1999

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(b) Basis of consolidation (Cont'd)

(vi) Capital reserve or goodwill arising on consolidation represents the excess or deficit respectively of the fair value of the net assets of the subsidiaries at the dates of acquisition over the value of the consideration paid.

(vii) Capital reserve arising on consolidation is taken directly to reserves. Goodwill arising on consolidation is eliminated against any capital reserve arising on consolidation and, where the reserve is insufficient, against other available reserves.

(c) Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than 50% of its voting power or issued share capital or controls the composition of its board of directors.

Investments in subsidiaries are carried in the Company's balance sheet at cost, unless, in the opinion of the directors, there has been a permanent diminution in value when they are written down to directors' valuation.

(d) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for long term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the Group's share of net assets of the associated companies, plus premiums paid less discounts allowed.

一九九九年十二月三十一日

1. 主要會計政策（續）

(e) 固定資產

(i) 永久業權土地以成本值入賬及不作攤銷。

(ii) 租約土地及其樓宇、裝修及其他固定資產以成本值扣除累積攤銷或折舊後入賬。成本值指資產之購買價格及其他有關費用。

(iii) 租約土地之攤銷是以其成本值按剩餘租約年期計算。

(iv) 持有租約之樓宇及裝修之折舊是以其賬面金額按剩餘租約年期或其估計於本集團可使用年期兩者之較短者計算。賬面金額指包括在資產負債表內以成本值或估值價經扣除累積折舊之金額。

(v) 其他固定資產之折舊乃將資產成本值按其估計於本集團可使用年期以直線方式撇銷，採用之主要折舊年率如下：

機器及設備	20%
傢俬及固定裝置	20% - 50%
辦公室設備	20% - 25%
汽車	20% - 25%

(vi) 固定資產之賬面值均定期檢查，以評估其可收回價值是否已跌至低於其賬面值。在釐定可收回價值時，預期未來之現金流量並未折算為現值。

December 31, 1999

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(e) Fixed assets

(i) Freehold land is stated at cost and is not amortized.

(ii) Leasehold land and buildings, leasehold improvements and other fixed assets are stated at cost less accumulated amortization or depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use.

(iii) Amortization of leasehold land is calculated to write off its cost over the unexpired period of the lease.

(iv) Depreciation of leasehold buildings and improvements is calculated to write off their carrying amounts over the unexpired periods of the leases or their expected useful lives to the Group whichever is shorter. An asset's carrying amount is the amount at which it is included in the balance sheet, whether at cost or valuation, after deducting any accumulated depreciation.

(v) Depreciation of other fixed assets is calculated to write off their costs on the straight line basis over their expected useful lives to the Group. The principal annual rates used for this purpose are:

Plant and machinery	20%
Furniture and fixtures	20% - 50%
Office equipment	20% - 25%
Motor vehicles	20% - 25%

(vi) The carrying amounts of fixed assets are reviewed regularly to assess whether their recoverable amounts have declined below their carrying amounts. Expected future cash flows have not been discounted in determining the recoverable amount.

一九九九年十二月三十一日

1. 主要會計政策（續）

(e) 固定資產（續）

(vii) 固定資產重修至其正常運作狀態之主要成本支出均在損益賬支銷。

(viii) 出售固定資產之溢利或虧損指出售淨收益與有關資產之賬面金額之差額，並於損益賬內處理。

(ix) 租賃資產

除法定所有權外，將擁有資產之回報及風險基本上全部轉讓予集團之租賃，均作為融資租賃列賬。融資租賃開始時，是以資產之公平價值連同日後需繳付之租金(不包括利息部分)之債務入賬。

向出租人支付之款項被視作包括資本及利息兩大部分。財務費用按尚欠資本結餘之比例在損益賬中支銷。

以融資租賃持有之資產按租約期或資產之估計可用年限(以兩者之較短者)計算折舊。

擁有資產之回報及風險基本上全部由出租公司保留之租賃，皆作為經營租賃入賬。經營租賃之租金在租賃期內以直線法在損益賬中支銷。

(f) 發展中物業

發展中物業以成本值入賬。此成本值包括土地及有關發展之成本。

December 31, 1999

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(e) Fixed assets (Cont'd)

(vii) Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account.

(viii) The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in the profit and loss account.

(ix) Assets under leases

Leases that substantially transfer to the Group all the rewards and risks of ownership of assets, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the fair value of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals.

Payments to the lessor are treated as consisting of capital and interest elements. Finance charges are debited to the profit and loss account in proportion to the capital balance outstanding.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or lease periods.

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(f) Property under development

Property under development are stated at cost, comprising land and related development costs.

一九九九年十二月三十一日

1. 主要會計政策（續）

(g) 無形資產

零售商店及辦公室之開辦費及租約溢價分類為無形資產並以成本值扣除累積攤銷入賬。攤銷金額乃根據成本值按各有關之租約期限以直線法計算。

(h) 其他投資

購入之會所債券予以資本化及於三年內攤銷。

(i) 存貨

存貨按成本與可變現淨值兩者中之較低值入賬。成本乃按加權平均之基準並按下列方法計算：

(i) 原料及購入貨品－按發票價加採購成本。

(ii) 在製貨品及製成品－直接物料成本、直接勞工成本及應佔之生產費用。

可變現淨值乃存貨在正常業務情況下之售價扣除變賣費用，及扣除製成產品之估計成本。

(j) 稅項

稅項乃根據是年度之溢利計算，且已就若干毋須課稅或不獲寬減之項目作出調整。部分收入及支出項目在稅務上及賬目上計入不同年度而引致時間差距。倘若時差在稅項上之影響有可能在可見將來確定為稅務負債或資產，則在賬目中採用負債法作出準備。

December 31, 1999

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(g) Intangible assets

Preliminary expenses and lease premiums in respect of retail shops and office premises are classified as intangible assets and are stated at cost less accumulated amortization. Amortization is provided on the straight line basis over the terms of the respective leases.

(h) Other investments

Purchased club debentures are capitalized and amortized over a period of three years.

(i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis and is arrived at as follows:

(i) Raw materials and purchased goods — invoiced prices plus procurement costs.

(ii) Work in progress and finished goods — cost of direct materials, direct labour and an appropriate proportion of production overheads.

Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realization and, where appropriate, the cost of conversion from their existing state to a finished condition.

(j) Taxation

The charge for taxation is based on the profit for the year as adjusted for items which are non-assessable or disallowable. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognized in the accounts. The tax effect of timing differences, computed under the liability method, is recognized in the accounts to the extent that it is probable a liability or an asset will crystallize in the foreseeable future.

一九九九年十二月三十一日

1. 主要會計政策（續）

(k) 外幣換算

年內之外幣交易乃按交易當日之匯率換算為港元。以外幣結算之貨幣性資產及負債均以資產負債表結算日之匯率換算成為港元入賬。所產生之匯兑差額均已計入經營業績內。

海外附屬公司及分公司之賬目乃按資產負債表結算日之匯率換算成為港元。此等公司之股本(包括等同股本之永久性質的長期貸款)及期初儲備金之匯兑差額已直接撥入匯兑儲備金內。

(l) 收入

年內銷貨收入乃於貨物已銷售及交收時確認。

利息收入均按照時間比例制及根據尚未償還之本金及適用利率計算。

佣金收入在提供服務時確認。

(m) 借貸成本

所有借貸成本均於發生之年度內在損益賬支銷。

December 31, 1999

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(k) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are incorporated into the accounts by translating foreign currencies into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. Exchange differences arising therefrom are included in operating results.

The accounts of overseas subsidiaries and branches at the year end are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. Exchange differences arising on the translation of share capital (including long term loans which are as permanent as equity in nature) and opening reserves of these entities are taken directly to exchange reserve.

(l) Revenue

Revenue in respect of goods sold during the year is recognized on the basis of goods sold and delivered.

Interest income is recognized on a time proportion basis, taken into account the principal amounts outstanding and the interest rates applicable.

Commission income is recognized when services are rendered.

(m) Borrowing costs

All borrowing costs were recognized as an expense in the period in which they were incurred.

一九九九年十二月三十一日 December 31, 1999

2. 收益及營業額 2. REVENUE AND TURNOVER

營業額包括於年內售予集團以外客戶已收或應收之售貨值，並已扣除退貨及折扣。本年度在損益賬中已確認之營業額及收益如下：

Turnover comprises the total amount received or receivable for the year from sales to customers outside the Group at invoiced value, less returns and discounts. Turnover and revenues recognized during the year are as follows:

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
營業額	**Turnover**		
零售及分銷業務之營業收入	Sales revenue from retailing and distribution operations	**2,891,450**	2,296,395
製衣業務之營業收入	Sales revenue from manufacturing operations	**200,721**	312,853
		3,092,171	2,609,248
其他收益	**Other revenues**		
利息收入	Interest income	**26,230**	10,632
佣金收入	Commission income	**65,087**	44,203
其他收入	Other income	**50,970**	50,369
		142,287	105,204

3. 經營溢利 3. OPERATING PROFIT

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
經營溢利已扣除下列各項:	**The operating profit is stated after charging:**		
核數師酬金	Auditors' remuneration	**2,069**	2,266
自置固定資產折舊	Depreciation of owned fixed assets	**67,698**	79,239
融資租賃之固定資產折舊	Depreciation of fixed assets held under finance leases	**2,836**	2,861
無形資產攤銷	Amortization of intangible assets	**799**	960
其他投資攤銷	Amortization of other investments	**–**	122
零售商店、辦公室、工廠及貨倉之經營租賃費用	Operating lease rentals in respect of retail shops, office premises, factories and warehouses	**418,915**	428,192
出售固定資產之淨虧損	Net loss on disposal of fixed assets	**8,583**	13,665
職工成本	Staff costs	**445,500**	419,384
並已計入:	**and after crediting:**		
暫時轉讓出口配額所得之收入淨額	Net income arising from the temporary transfer of export quota entitlements	**11,886**	5,083
出售其他投資項目之盈利	Profit on disposal of other investments	**–**	386

一九九九年十二月三十一日 December 31, 1999

4. 融資成本 4. FINANCE COSTS

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
銀行透支之利息	Interest on bank overdrafts	**133**	232
融資租賃之利息支出	Interest on finance leases	**3,146**	3,153
		3,279	3,385

5. 董事及高級管理人員酬金 5. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) 獨立非執行董事酬金如下：

(a) Independent non-executive directors' emoluments are as follows:

		1999 千港元 HK$'000	1998 千港元 HK$'000
董事袍金	Directors' fees	**494**	480

(b) 執行董事酬金如下：

(b) Executive directors' emoluments are as follows:

		1999 千港元 HK$'000	1998 千港元 HK$'000
董事管理酬金:	For management:		
基本薪金、房屋津貼、其他津貼及實物收益	Basic salaries, housing allowances, other allowances and benefits in kind	**12,836**	11,559
花紅	Bonuses	**17,184**	3,400
退休金供款	Pension contributions	**478**	457
		30,498	15,416

於本年度內，本公司沒有授出可認購普通股之購股權予任何董事。

During the year, none of the directors of the Company was granted options to subscribe for shares of the Company.

5. 董事及高級管理人員酬金（續）

(c) 董事數目按酬金組別歸類如下。酬金指本公司董事在各財政年度出任董事職位而已收或應收之款項，惟並不包括從購股權計劃中購買本公司之普通股而獲得或將會獲得之利益。

5. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

(c) The number of directors whose emoluments fell within the following bands are set out below. The emoluments represent the amounts paid to or receivable by the directors while being directors of the Company in the respective financial years and do not include the benefits derived or to be derived from the options granted under the option scheme to acquire the ordinary shares of the Company.

董事酬金 Directors' emoluments 港元 HK$	董事數目 Number of directors **1999**	1998
0 – 1,000,000	**3**	2
1,000,001 – 1,500,000	**1**	2
1,500,001 – 2,000,000	**3**	2
2,000,001 – 2,500,000	**1**	–
3,500,001 – 4,000,000	**1**	1
4,000,001 – 4,500,000	**1**	–
5,000,001 – 5,500,000	–	1
13,500,001 – 14,000,000	**1**	–
	11	8

截至一九九九年十二月三十一日止年度，兩位董事放棄其部分酬金，總數為701,597港元(一九九八年：531,513港元)。

For the year ended December 31, 1999, two directors waived part of their emoluments totalling HK$701,597 (1998: HK$531,513).

(d) 本年度在本集團中五位最高薪職員(一九九八年：四位)均為本公司之董事，其酬金之詳情已於以上披露。於一九九八年，祇有一位非本公司董事之最高薪職員，其酬金總額如下：

(d) The five individuals whose emoluments were the highest in the group for the year (1998: four) were also directors of the Company and their emoluments are reflected in the analysis presented above. In 1998, the aggregate amount of emoluments of the only highest paid individual of the Group who was not a director of the Company were as follows:

	千港元 HK$'000
基本薪金、房屋津貼、其他津貼及實物收益 Basic salaries, housing allowances, other allowances and benefits in kind	2,132
花紅 Bonuses	500
退休金供款 Pension contributions	98
	2,730

一九九九年十二月三十一日

6. 退休金計劃安排

本公司及部分全資附屬公司實行定額供款制公積金計劃(「佐丹奴計劃」)。虎威企業有限公司(本公司之全資附屬公司)亦自行設立定額供款制公積金計劃(「虎威計劃」)。在佐丹奴計劃及虎威計劃下,僱員及僱主分別按僱員每月的薪金5%供款。

在此等計劃下,僱員因終止聘用合約而未能領取之僱主供款,僱主可用作減低其將來之僱主供款水平。截至一九九九年十二月三十一日止年度,在佐丹奴計劃下,此筆用作減低供款之款項金額為4,081,000港元(一九九八年:4,272,000港元)。在虎威計劃下,並無此等可用作減少截至一九九九年十二月三十一日止年度之僱主供款水平(一九九八年:無)。於一九九九年十二月三十一日,在佐丹奴計劃及虎威計劃下,此等可用作減少來年僱主供款水平之款項分別為14,000港元(一九九八年:2,666,000港元)及78,000港元(一九九八年:38,000港元)。

Giordano Originals (Singapore) Private Limited 及 Giordano (M) Sdn. Bhd. 為本公司在新加坡及馬來西亞之全資附屬公司。該兩家公司分別參與由新加坡及馬來西亞政府制定之中央定額供款制公積金計劃。

本公司之另一全資附屬公司 — East Jean Limited,在台灣之分公司按照台灣之勞動基準法(經修訂),參予中央界定利益退休金計劃(「East Jean 計劃」),提供所有僱員退休金福利。本集團有責任確保 East Jean 計劃有足夠資金給付員工應有之退休金。目前該分公司之退休金是按該分公司僱員薪資總額之2%(此百分比是經相關之政府機關釐定並批准)提撥。East Jean 計劃之資產由中央信託局之獨立退休信託基金進行投資。

本集團退休金費用在截至一九九九年十二月三十一日止年度損益賬列支的數額為 10,654,000港元(一九九八年:11,484,000港元)。

December 31, 1999

6. PENSION SCHEME ARRANGEMENTS

The Company and certain of its wholly-owned subsidiaries operate a defined contribution provident fund scheme ("Giordano Scheme"). Tiger Enterprises Limited (a wholly-owned subsidiary of the Company) also separately operates a defined contribution provident fund scheme ("Tiger Scheme"). Under both the Giordano Scheme and the Tiger Scheme, contributions of 5% of the employee's monthly salary are made by each of the employer and the employee.

Under both schemes, the unvested benefits of employees terminating employment are utilized by the employers to reduce their future levels of contributions. The amount of unvested benefits so utilized under the Giordano Scheme during the year ended December 31, 1999 was HK$4,081,000 (1998: HK$4,272,000). No amount was utilized for reducing the level of employer's contributions during the year ended December 31, 1999 under the Tiger Scheme (1998: HK$Nil). As at December 31, 1999, the amounts available for reducing the levels of employers' contributions for the following year under the Giordano Scheme and the Tiger Scheme were HK$14,000 (1998: HK$2,666,000) and HK$78,000 (1998: HK$38,000) respectively.

The Company's wholly-owned subsidiaries in Singapore and Malaysia, namely Giordano Originals (Singapore) Private Limited and Giordano (M) Sdn. Bhd., participate in central defined contribution provident fund schemes established by the Singaporean and Malaysian authorities respectively.

The branch office of another wholly-owned subsidiary of the Company, East Jean Limited, in Taiwan participates in central defined benefit pension scheme ("East Jean Scheme") providing benefits to all employees in accordance with the Labour Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the East Jean Scheme to pay the benefits earned. The branch currently contributes at 2% of the total salaries as determined and approved by the relevant government authorities. The assets of the East Jean Scheme are invested through an independent retirement trust fund with the Central Trust of China.

The Group's pension cost charged to the profit and loss account for the year ended December 31, 1999 was HK$10,654,000 (1998: HK$11,484,000).

7. 稅項

7. TAXATION

稅項在綜合損益賬內包括下列項目：

The charge for taxation in the consolidated profit and loss account represents:

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
公司及附屬公司：	**Company and subsidiaries:**		
– 香港利得稅	– Hong Kong profits tax	**5,914**	68
– 海外稅項	– Overseas taxation	**30,271**	8,538
– 遞延稅項(附註12)	– Deferred taxation (Note 12)	**7,687**	(2,820)
聯營公司：	**Associated companies:**		
– 海外稅項	– Overseas taxation	**15,668**	6,393
		59,540	12,179

本公司及其香港附屬公司之稅項準備是根據本年度從香港賺取或源自香港之估計應課稅溢利按稅率16%(一九九八年：16%)計算。

The provision for taxation of the Company and its Hong Kong subsidiaries is calculated by applying the current rate of taxation of 16% (1998: 16%) to the estimated assessable profits earned in or derived from Hong Kong during the year.

本集團向香港稅務局申請將本年度及過去年度支付某些特許權的費用合共約429,050,000港元(一九九八年：380,362,000港元)作為稅務扣減項目。其有關之稅款約為71,184,000港元(一九九八年：63,394,000港元)。有關申請有待香港稅務局之認可。董事會認為可以成功取得香港稅務局之認可，因此並未在此賬目內作應付準備。

The Group has claimed deductions on certain royalty payments in the current and prior years totalling approximately HK$429,050,000 (1998: HK$380,362,000). The tax effect thereof is approximately HK$71,184,000 (1998: HK$63,394,000). The claim is subject to the endorsement of the Hong Kong Inland Revenue Department. The directors are of the opinion that the endorsement of the Hong Kong Inland Revenue Department will be successfully obtained and in consequence no provision is made in these accounts.

其他於海外經營之附屬公司之利得稅項是根據該等國家稅例之稅率而計算。

Taxation on the profits of other subsidiaries operating overseas is calculated at the rates applicable in the respective jurisdictions.

本年度並無未撥備之重大遞延稅項。

There was no material unprovided deferred taxation for the year.

一九九九年十二月三十一日

December 31, 1999

8. 股東應佔溢利

股東應佔集團綜合溢利360,017,000港元（一九九八年：76,087,000港元），其中253,268,000港元（一九九八年：89,889,000港元），包括來自附屬公司之股息239,542,000港元（一九九八年：82,521,000港元），已在本公司之賬目內反映。

8. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Included in the Group's consolidated profit of HK$360,017,000 (1998: HK$76,087,000), attributable to shareholders of the Company is HK$253,268,000 (1998: HK$89,889,000), including dividends from subsidiaries of HK$239,542,000 (1998: HK$82,521,000), which is dealt with in the Company's own accounts.

9. 股息

9. DIVIDENDS

	1999 千港元 HK$'000	1998 千港元 HK$'000
中期股息 — 每股6.5仙（一九九八年：1.0仙）已於一九九九年八月二十五日派發 Interim dividend — 6.5 cents (1998: 1.0 cent) per share paid on August 25, 1999	**45,690**	7,048
擬派末期股息 — 每股11.0仙（一九九八年：3.5仙） Proposed final dividend — 11.0 cents (1998: 3.5 cents) per share	**77,722**	24,492
擬派特別股息 — 每股17.0仙（一九九八年：無） Proposed special dividend — 17.0 cents (1998: Nil) per share	**120,115**	–
	243,527	31,540

截至一九九九年十二月三十一日止年度擬派之末期及特別股息（該等股息將以現金方式派發並向股東提供權利選擇以股代息）之數額乃參照於一九九九年十二月三十一日已發行普通股706,559,000股計算。

The amount of the final and special dividends proposed for the year ended December 31, 1999, which will be in cash with scrip option for election by shareholders, has been calculated by reference to 706,559,000 ordinary shares in issue as at December 31, 1999.

10. 每股盈利

每股基本及攤薄盈利乃按本年度股東應佔綜合溢利360,017,000港元（一九九八年：76,087,000港元）計算。

每股基本盈利乃按本年度內已發行股份之加權平均股數701,639,553股（一九九八年：704,140,953股）計算。

每股攤薄盈利乃按701,639,553股（一九九八年：704,140,953股）計算，即本年度內已發行股份之加權平均股數，加上假設根據本公司僱員購股權計劃授出之所有未行使購股權皆已行使而被視作以無償發行之股份之加權平均股數9,069,729股（一九九八年：無）計算。

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the consolidated profit attributable to shareholders for the year of HK$360,017,000 (1998: HK$76,087,000).

The basic earnings per share is based on the weighted average of 701,639,553 shares (1998: 704,140,953 shares) in issue during the year.

The diluted earnings per share is based on 701,639,553 shares (1998: 704,140,953 shares) which is the weighted average number of shares in issue during the year plus the weighted average of 9,069,729 shares (1998: Nil) deemed to be issued at no consideration if all outstanding share options granted under the employee share option scheme of the Company had been exercised.

一九九九年十二月三十一日 December 31, 1999

11. 無形資產 11. INTANGIBLE ASSETS

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
於一月一日之賬面淨值	Net book value at January 1	**2,998**	2,505
上年度滾存之換算差額	Translation difference on opening balance	**(31)**	455
增加	Additions	**–**	998
攤銷	Amortization charge	**(799)**	(960)
於十二月三十一日之賬面淨值	Net book value at December 31	**2,168**	2,998
於十二月三十一日	At December 31		
成本	Cost	**7,681**	7,918
累計攤銷	Accumulated amortization	**(5,513)**	(4,920)
		2,168	2,998

無形資產代表零售商店及辦公室之開辦費及租約溢價。

Intangible assets represent preliminary expenses and lease premiums in respect of retail shops and office premises.

12. 遞延稅項 12. DEFERRED TAXATION

		集團 Group		公司 Company	
		1999 千港元 HK$'000	1998 千港元 HK$'000	**1999 千港元 HK$'000**	1998 千港元 HK$'000
於一月一日之結餘	Balance at January 1	**7,447**	4,566	**–**	(93)
上年度滾存之換算差額	Translation difference on opening balance	**240**	61	**–**	–
撥(自)／往損益賬(附註7)	Transfer (from) / to profit and loss account (Note 7)	**(7,687)**	2,820	**–**	93
於十二月三十一日之結餘	Balance at December 31	**–**	7,447	**–**	–

於一九九九年十二月三十一日因作稅項安排而扣除價值380,000,000港元「GIORDANO」商標所產生之稅項虧損，而未有在綜合賬目中作出處理的遞延稅項資產合共7,852,000港元(一九九八年：13,182,000港元)。

The deferred tax asset in respect of tax losses not taken up in the consolidated accounts as at December 31, 1999 arising from the deduction of the GIORDANO trademark valued at HK$380,000,000 for tax purpose, was HK$7,852,000 (1998: HK$13,182,000).

除上述披露外，在結算日，本公司並無任何未撥備之重大遞延稅項。

Save as disclosed above, the Company did not have any significant unprovided deferred taxation at the balance sheet date.

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13. 固定資產 / 13. FIXED ASSETS

集團 / Group

		永久業權之土地及樓宇 Freehold land & building 千港元 HK$'000	持有租約之土地及樓宇 Leasehold land & buildings 千港元 HK$'000	機器及設備 Plant & machinery 千港元 HK$'000	租賃物業裝修、傢俬、固定裝置及辦公室設備 Leasehold improvements, furniture, fixtures & office equipment 千港元 HK$'000	汽車 Motor vehicles 千港元 HK$'000	總計 Total 千港元 HK$'000
成本值	**Cost**						
於一九九九年一月一日	At January 1, 1999	37,560	75,225	72,403	391,232	15,225	591,645
換算差額	Translation difference	1,079	–	(247)	1,949	87	2,868
添置	Additions	–	21,583	2,965	91,833	2,622	119,003
出售	Disposals	–	–	(3,079)	(62,490)	(2,214)	(67,783)
於一九九九年十二月三十一日	At December 31, 1999	38,639	96,808	72,042	422,524	15,720	645,733
累積折舊	**Aggregate depreciation**						
於一九九九年一月一日	At January 1, 1999	1,996	7,417	34,464	297,247	10,360	351,484
換算差額	Translation difference	57	–	(153)	1,145	40	1,089
本年折舊	Charge for the year	632	3,020	8,786	56,085	2,011	70,534
出售	Disposals	–	–	(2,009)	(52,889)	(2,012)	(56,910)
於一九九九年十二月三十一日	At December 31, 1999	2,685	10,437	41,088	301,588	10,399	366,197
於一九九九年十二月三十一日之賬面淨值	**Net book value at December 31, 1999**	**35,954**	**86,371**	**30,954**	**120,936**	**5,321**	**279,536**
於一九九八年十二月三十一日之賬面淨值	Net book value at December 31, 1998	35,564	67,808	37,939	93,985	4,865	240,161

(a) 永久業權之土地及樓宇位於台灣。

(a) The freehold land and building is situated in Taiwan.

(b) 持有租約之土地及樓宇位於中國大陸及香港，賬面價值8,062,000港元（一九九八年：8,246,000港元）及56,726,000港元（一九九八：59,562,000港元）的物業是分別以長期及中期租約在中國大陸持有，其餘物業賬面價值21,583,000港元是以中期租約（即少於50年但多於10年）在香港持有。

(b) The leasehold land and buildings are situated in Mainland China and Hong Kong. Properties with carrying value of HK$8,062,000 (1998: HK$8,246,000) and HK$56,726,000 (1998: HK$59,562,000) are held under long and medium term leases in the PRC respectively. The remaining properties of carrying value of HK$21,583,000 are held in Hong Kong under medium term leases (less than 50 years but more than 10 years).

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13. 固定資產（續）

13. FIXED ASSETS (Cont'd)

集團（續）

Group (Cont'd)

(c) 於一九九九年十二月三十一日，以融資租賃持有之土地及樓宇之成本值及累積折舊分別為70,904,000港元（一九九八年：70,904,000港元）及14,181,000港元（一九九八年：11,345,000港元），及以融資租賃持有之辦公室設備和汽車之總成本及累積折舊分別為無（一九九八年：124,000港元）及無（一九九八年：73,000港元）。

(c) At December 31, 1999, leasehold land and buildings with cost and aggregate depreciation of HK$70,904,000 (1998: HK$70,904,000) and HK$14,181,000 (1998: HK$11,345,000) respectively, and office equipment and motor vehicle with cost and aggregate depreciation of Nil (1998: HK$124,000) and Nil (1998: HK$73,000) respectively were held under finance leases.

公司

Company

		租賃物業裝修、傢俬、固定裝置及辦公室設備 Leasehold improvements, furniture, fixtures & office equipment 千港元 HK$'000	汽車 Motor vehicle 千港元 HK$'000	總計 Total 千港元 HK$'000
成本值	**Cost**			
於一九九九年一月一日	At January 1, 1999	4,055	118	4,173
添置	Additions	831	–	831
出售	Disposals	(569)	–	(569)
於一九九九年十二月三十一日	At December 31, 1999	4,317	118	4,435
累積折舊	**Aggregate depreciation**			
於一九九九年一月一日	At January 1, 1999	2,576	7	2,583
本年折舊	Charge for the year	612	81	693
出售	Disposals	(334)	–	(334)
於一九九九年十二月三十一日	At December 31, 1999	2,854	88	2,942
於一九九九年十二月三十一日之賬面淨值	**Net book value at December 31, 1999**	**1,463**	**30**	**1,493**
於一九九八年十二月三十一日之賬面淨值	Net book value at December 31, 1998	1,479	111	1,590

一九九九年十二月三十一日 December 31, 1999

14. 發展中物業 14. PROPERTY UNDER DEVELOPMENT

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
一月一日之結餘	Balance at January 1	**133,060**	106,765
添置	Additions	**912**	26,295
十二月三十一日之結餘	Balance at December 31	**133,972**	133,060

此物業位於中國東莞，並以中期租約持有，物業於建成及取得有關營業執照後，將作為本集團之生產廠房。

The property is situated in Dongguan, Mainland China and is held under a medium term lease. The property is being developed into factory premises for the manufacturing operations of the Group once the relevant business licences are obtained.

15. 所佔附屬公司之權益 15. INTEREST IN SUBSIDIARIES

		公司 Company	
		1999 千港元 HK$'000	1998 千港元 HK$'000
非上市股份 — 成本值	Unlisted investment, at cost	**815,910**	787,021
附屬公司應付款	Amounts due from subsidiaries	**390,372**	465,621
附屬公司應收款	Amounts due to subsidiaries	**(258,497)**	(211,373)
		947,785	1,041,269

附屬公司應付/收款均為無抵押及無固定還款期。除若干全資附屬公司應付款約為72,000,000港元（一九九八年：138,000,000港元）乃按香港最優惠利率計算利息，及若干全資附屬公司應收款約30,000,000港元（一九九八年：111,000,000港元）乃按當時商業銀行存款利率計算利息，其他附屬公司應付/收款均為免息。

Amounts due from/to subsidiaries are unsecured and have no fixed terms of repayment. Apart from the loans of approximately HK$72 million (1998: HK$138 million) advanced to certain wholly-owned subsidiaries, bearing interest at Hong Kong Prime Rate, and loans of approximately HK$30 million (1998: HK$111 million) advanced from certain wholly-owned subsidiaries, bearing interest at the then prevailing commercial bank deposit rates, the remaining amounts due from/to subsidiaries are non-interest bearing.

主要附屬公司之詳情載於第83至85頁之賬目附註28。

Details of principal subsidiaries are set out in Note 28 to the accounts on pages 83 to 85.

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16. 所佔聯營公司之權益 16. INTEREST IN ASSOCIATED COMPANIES

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
所佔資產淨值	Share of net assets	**104,053**	54,958
於收購時之溢價	Premium on acquisition of associated companies	**2,046**	2,046
匯兑調整	Exchange adjustment	**(7,080)**	(7,084)
		99,019	49,920

於一九九九年十二月三十一日，本集團持有以下聯營公司股份：

At December 31, 1999, the Group held shares in the following associated companies:

聯營公司名稱 Name of associated company	**註冊成立地點 Place of incorporation**	**持有股份百分比 Percentage holding**		**已發行及全數繳足股本 Issued and fully paid share capital**	**主要業務及經營地區 Principal activities and place of operation**
		1999	1998		
Giordano Corporation Limited	大韓民國 Republic of Korea	**50**	50	普通股 5,000,000,000 韓國圜 Ordinary WON5,000,000,000	在韓國經營零售服裝及配襯用品 Retailing of apparel and accessories in Korea
Giordano Fashions (L.L.C.)	阿拉伯聯合酋長國 United Arab Emirates	**20**	20	普通股 3,000,000 沙地阿拉伯聯合酋長國迪拉姆 Ordinary AED3,000,000	在阿拉伯聯合酋長國經營零售服裝及配襯用品 Retailing of apparel and accessories in the United Arab Emirates

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December 31, 1999

16. 所佔聯營公司之權益（續）

16. INTEREST IN ASSOCIATED COMPANIES (Cont'd)

重要聯營公司資料：

Information on material associated companies:

根據經董事會調整後以符合本集團會計政策之 Giordano Corporation Limited 未經審核之管理賬目，該公司於一九九九年度之營業額及除稅後溢利分別為831,000,000港元（一九九八年：402,000,000港元）及105,000,000港元（一九九八年：24,000,000港元）。於一九九九年十二月三十一日之資產淨值為159,000,000港元（一九九八年：64,000,000港元）。淨資產詳列如下：

Based on the unaudited management accounts of Giordano Corporation Limited, after making adjustments as considered appropriate by the directors in order to comply with the Group's accounting policies, the turnover and profit after tax of such company for 1999 were HK$831 million (1998: HK$402 million) and HK$105 million (1998: HK$24 million) respectively, and its net asset was HK$159 million (1998: HK$64 million) as at December 31,1999. Details of the net assets are set out below:

		1999 千港元 HK$'000	1998 千港元 HK$'000
流動資產	Current assets	**269,460**	122,166
流動負債	Current liabilities	**(116,511)**	(67,750)
長期資產	Long term assets	**10,759**	15,638
長期負債	Long term liabilities	**(4,634)**	(6,023)
		159,074	64,031

17. 其他投資

17. OTHER INVESTMENTS

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
會所債券 — 成本值	Club debentures, at cost	**5,283**	5,283
減：攤銷數額	Less: amounts amortized	**(5,283)**	(5,283)
		–	–

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18. 存貨 18. INVENTORIES

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
原料	Raw materials	**45,999**	93,124
在製貨品	Work in progress	**20,768**	36,133
製成品	Finished goods	**170,979**	181,940
		237,746	311,197

於一九九九年十二月三十一日，以可變現淨值列賬之存貨之賬面值合共約2,183,000港元（一九九八年：1,803,000港元）。

At December 31, 1999, the carrying amount of inventories that are carried at net realizable value amounted to approximately HK$2,183,000 (1998: HK$1,803,000).

19. 股本 19. SHARE CAPITAL

(a) 股本 (a) Share capital

		1999 千港元 HK$'000	1998 千港元 HK$'000
法定： 每股面值0.10港元普通股 1,000,000,000股	**Authorized:** 1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
已發行及全數繳足： 每股面值0.10港元普通股706,559,000股（一九九八年：699,785,000股）	**Issued and fully paid:** 706,559,000 (1998: 699,785,000) ordinary shares of HK$0.10 each	**70,656**	69,979

於本年度內，股本之變動情況如下：

Details of the movements in the share capital during the year are set out below:

		股份數目 Number of shares	
		1999	1998
每股面值0.10港元之普通股	Ordinary shares of HK$0.10 each		
於一月一日	At January 1	**699,785,000**	705,277,000
因行使購股權發行之股份數目	Share options exercised	**8,396,000**	–
購回股份數目	Shares repurchased	**(1,622,000)**	(5,492,000)
於十二月三十一日	At December 31	**706,559,000**	699,785,000

一九九九年十二月三十一日

19. 股本（續）

(a) 股本（續）

以下為本公司於本年度內於香港聯合交易所有限公司（「聯交所」）購回共1,622,000股（一九九八年：5,492,000股）本公司之股份，所有購回之股份已被本公司註銷：

購回月份 Month of repurchase	每股面值0.10港元之股份數目 Number of shares of HK$0.10 each	每股價格 Price per share 最高 Highest 港元 HK$	最低 Lowest 港元 HK$	總價格 Aggregate price 港元 HK$
一九九九年二月 February 1999	1,254,000	1.830	1.790	2,258,760
一九九九年四月 April 1999	368,000	3.500	3.475	1,287,600
	1,622,000			3,546,360

有關本公司支付購回股份之總代價為3,563,293港元（一九九八年：5,676,528港元），其中包括購回股份之總價格3,546,360港元（一九九八年：5,643,880港元）及有關費用16,933港元（一九九八年：32,648港元）。購回股份之總代價已在滾存溢利中扣除，購回股份之面值162,200港元（一九九八年：549,200港元）亦已從股本轉撥至資本贖回儲備內。

December 31, 1999

19. SHARE CAPITAL (Cont'd)

(a) Share capital (Cont'd)

During the year, the Company repurchased a total of 1,622,000 (1998: 5,492,000) of its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), all of which have been cancelled, as follows:

The aggregate consideration of HK$3,563,293 (1998: HK$5,676,528) paid by the Company, being the sum of the aggregate price of shares repurchased of HK$3,546,360 (1998: HK$5,643,880) and the relevant costs of HK$16,933 (1998: HK$32,648), was charged against the retained profits and the nominal value of the shares repurchased of HK$162,200 (1998: HK$549,200) was transferred from share capital to the capital redemption reserve.

一九九九年十二月三十一日

December 31, 1999

19. 股本（續）

19. SHARE CAPITAL (Cont'd)

(a) 股本（續）

(a) Share capital (Cont'd)

一九九八年之比較數字如下：

The comparative figures for 1998 are set out as follows:

購回月份 Month of repurchase	每股面值0.10港元之股份數目 Number of shares of HK$0.10 each	每股價格 Price per share 最高 Highest 港元 HK$	每股價格 Price per share 最低 Lowest 港元 HK$	總價格 Aggregate price 港元 HK$
一九九八年五月 May 1998	100,000	1.41	1.40	140,500
一九九八年九月 September 1998	1,944,000	1.20	0.71	1,951,300
一九九八年十月 October 1998	2,218,000	1.06	0.88	2,132,080
一九九八年十一月 November 1998	210,000	1.16	1.01	223,600
一九九八年十二月 December 1998	1,020,000	1.22	1.15	1,196,400
	5,492,000			5,643,880

(b) 購股權

根據本公司僱員購股權計劃，本公司董事會可將購股權授予本集團任何成員之任何僱員(包括任何董事或高級行政人員及任何暫時被調配到本集團工作的全職僱員)，以認購本公司股份。認購價不少於本公司股份於授出購股權之日前五個交易日在聯交所錄得之平均收市價之80%及本公司之股份面值兩者之較高者。而最高認購股份數目不可超過本公司不時已發行股本之10%。

(b) Share options

Pursuant to the employee share option scheme of the Company, the board of directors of the Company may grant options to any employee of any member of the Group (including any director or senior executive and any individual for the time being seconded to work for the Group on a full time basis) to subscribe for shares of the Company. The subscription price is not less than the higher of 80% of the average closing share prices quoted on the Stock Exchange for the five trading days immediately preceding the date of offer of the options and the nominal value of the Company's shares. The maximum number of shares in respect of which options may be granted may not exceed 10% of the issued share capital of the Company from time to time.

一九九九年十二月三十一日

December 31, 1999

19. 股本（續）

19. SHARE CAPITAL (Cont'd)

(b) 購股權（續）

(b) Share options (Cont'd)

(i) 於本年度內，根據購股權計劃所授出購股權之變動如下：

(i) Details of the movements in the share options granted under the option scheme during the year are set out as follows:

		已授出購股權股份數目 Number of shares over which options were granted	
		1999	1998
於一月一日	At January 1	**52,526,000**	56,588,000
授出	Granted	**2,300,000**	–
行使	Exercised	**(8,396,000)**	–
失效	Lapsed	**(2,589,000)**	(4,062,000)
於十二月三十一日	At December 31	**43,841,000**	52,526,000

(ii) 根據購股權計劃所授出而尚未行使之購股權詳情如下：

(ii) Details of the outstanding share options granted under the option scheme are as follows:

授出日期 Date of grant	已授出購股權股份數目 Number of shares over which options were granted	每股行使價 Exercise price per share 港元 HK$	行使期限 Exercise period
一九九三年五月二十五日 May 25, 1993	1,445,000	4.440	由一九九五年五月二十五日至二零零一年五月二十三日 From May 25, 1995 to May 23, 2001
一九九四年一月二十七日 January 27, 1994	10,000	3.210	由一九九七年一月二十七日至二零零一年五月二十三日 From January 27, 1997 to May 23, 2001
一九九四年一月二十七日 January 27, 1994	300,000	3.210	由一九九八年一月二十七日至二零零一年五月二十三日 From January 27, 1998 to May 23, 2001
一九九四年三月二十九日 March 29, 1994	166,000	3.110	由一九九七年三月二十九日至二零零一年五月二十三日 From March 29, 1997 to May 23, 2001
一九九四年五月二十七日 May 27, 1994	60,000	2.900	由一九九七年五月二十七日至二零零一年五月二十三日 From May 27, 1997 to May 23, 2001
一九九四年九月二十八日 September 28, 1994	172,000	3.730	由一九九七年九月二十八日至二零零一年五月二十三日 From September 28, 1997 to May 23, 2001
一九九四年十月二十八日 October 28, 1994	3,492,000	3.710	由一九九五年四月二十八日至二零零一年五月二十三日 From April 28, 1995 to May 23, 2001

一九九九年十二月三十一日 December 31, 1999

19. 股本（續） 19. SHARE CAPITAL (Cont'd)

(b) 購股權（續） (b) Share options (Cont'd)

(ii) 根據購股權計劃所授出而尚未行使之購股權詳情如下（續）： (ii) Details of the outstanding share options granted under the option scheme are as follows (Cont'd):

授出日期 Date of grant	已授出購股權股份數目 Number of shares over which options were granted	每股行使價 Exercise price per share 港元 HK$	行使期限 Exercise period
一九九五年五月三十日 May 30, 1995	2,462,000	4.300	由一九九八年五月三十日至二零零五年五月二十八日 From May 30, 1998 to May 28, 2005
一九九五年八月二十四日 August 24, 1995	12,508,000	5.200	由一九九六年二月二十四日至二零零五年五月二十八日 From February 24, 1996 to May 28, 2005
一九九六年三月四日 March 4, 1996	2,280,000	6.380	由一九九六年九月四日至二零零五年五月二十八日 From September 4, 1996 to May 28, 2005
一九九六年五月七日 May 7, 1996	9,000,000	5.660	由一九九九年五月七日至二零零五年五月二十八日 From May 7, 1999 to May 28, 2005
一九九七年十二月五日 December 5, 1997	1,094,000	1.756	由一九九八年十二月五日至二零零五年五月二十八日 From December 5, 1998 to May 28, 2005
一九九七年十二月五日 December 5, 1997	3,418,000	1.756	由一九九九年十二月五日至二零零五年五月二十八日 From December 5, 1999 to May 28, 2005
一九九七年十二月五日 December 5, 1997	5,384,000	1.756	由二零零零年十二月五日至二零零五年五月二十八日 From December 5, 2000 to May 28, 2005
一九九九年二月二十四日 February 24, 1999	150,000	1.384	由二零零零年二月二十四日至二零零五年五月二十八日 From February 24, 2000 to May 28, 2005
一九九九年二月二十四日 February 24, 1999	150,000	1.384	由二零零一年二月二十四日至二零零五年五月二十八日 From February 24, 2001 to May 28, 2005
一九九九年二月二十四日 February 24, 1999	150,000	1.384	由二零零二年二月二十四日至二零零五年五月二十八日 From February 24, 2002 to May 28, 2005
一九九九年三月五日 March 5, 1999	320,000	1.540	由二零零零年三月五日至二零零五年五月二十八日 From March 5, 2000 to May 28, 2005
一九九九年三月五日 March 5, 1999	340,000	1.540	由二零零一年三月五日至二零零五年五月二十八日 From March 5, 2001 to May 28, 2005
一九九九年三月五日 March 5, 1999	340,000	1.540	由二零零二年三月五日至二零零五年五月二十八日 From March 5, 2002 to May 28, 2005
一九九九年七月十七日 July 17, 1999	120,000	4.640	由二零零零年八月一日至二零零五年五月二十八日 From August 1, 2000 to May 28, 2005
一九九九年七月十七日 July 17, 1999	120,000	4.640	由二零零一年八月一日至二零零五年五月二十八日 From August 1, 2001 to May 28, 2005

一九九九年十二月三十一日

December 31, 1999

19. 股本（續）

19. SHARE CAPITAL (Cont'd)

(b) 購股權（續）

(b) Share options (Cont'd)

(ii) 根據購股權計劃所授出而尚未行使之購股權詳情如下（續）：

(ii) Details of the outstanding share options granted under the option scheme are as follows (Cont'd):

授出日期 Date of grant	已授出購股權股份數目 Number of shares over which options were granted	每股行使價 Exercise price per share 港元 HK$	行使期限 Exercise period
一九九九年七月十七日 July 17, 1999	120,000	4.640	由二零零二年八月一日至二零零五年五月二十八日 From August 1, 2002 to May 28, 2005
一九九九年七月十七日 July 17, 1999	120,000	4.640	由二零零三年八月一日至二零零五年五月二十八日 From August 1, 2003 to May 28, 2005
一九九九年七月十七日 July 17, 1999	120,000	4.640	由二零零四年八月一日至二零零五年五月二十八日 From August 1, 2004 to May 28, 2005
	43,841,000		

根據購股權計劃於以往年度授出之購股權，其中為數共8,396,000股（一九九八年：無）每股面值0.10港元之股本已由僱員在本年度內行使。為此，本公司分別以現金溢價發行及配發以下每股面值0.10港元之股份予該等僱員：

Options to subscribe for 8,396,000 shares (1998: Nil) of HK$0.10 each of the Company granted under the option scheme in previous years were exercised by certain employees of the Group during the year. In this connection, the Company issued and allotted shares of HK$0.10 each for cash at the premium set out below to such employees of the Group:

股份數目 Number of shares	每股溢價 Premium per share 港元 HK$	總溢價 Total premium 港元 HK$
1,202,000	4.200	5,048,400
570,000	3.110	1,772,700
190,000	3.010	571,900
120,000	2.800	336,000
6,314,000	1.656	10,455,984
8,396,000		18,184,984

僱員不用就授予之購股權繳付代價。在本年內，根據購股權計劃而授出之2,589,000股（一九九八年：4,062,000股）購股權，因本集團僱員的辭任而失效。

No consideration was required to be paid by the employees for share options granted. During the year, the options to subscribe for a total of 2,589,000 shares (1998: 4,062,000 shares) in the Company granted under the option scheme were lapsed due to resignation of employees of the Group.

二十、儲備金

20. RESERVES

(a) 集團

(a) Group

		繳入盈餘 Contributed surplus 千港元 HK$'000	資本贖回儲備 Capital redemption reserve 千港元 HK$'000	股份溢價 Share premium 千港元 HK$'000	匯兌儲備金 Exchange reserve 千港元 HK$'000	其他儲備 Other reserves 千港元 HK$'000	滾存溢利 Retained profits 千港元 HK$'000	總數 Total 千港元 HK$'000
於一九九八年一月一日	At January 1, 1998	382,749	875	460,270	(93,615)	12,802	235,332	998,413
本年度溢利處理於：	Profit for the year dealt with by:							
本公司及附屬公司	Company and subsidiaries	–	–	–	–	–	60,989	60,989
聯營公司	Associated companies	–	–	–	–	–	15,098	15,098
股份購回	Repurchase of shares	–	549	–	–	–	(5,676)	(5,127)
支付／擬派股息	Dividends paid/proposed	–	–	–	–	–	(31,540)	(31,540)
綜合商譽	Goodwill arising on consolidation	–	–	–	–	–	(4,001)	(4,001)
海外附屬公司及分公司賬目換算差額	Exchange differences arising from translation of the accounts of overseas subsidiaries and a branch	–	–	–	7,333	–	–	7,333
於一九九八年十二月三十一日	**At December 31, 1998**	**382,749**	**1,424**	**460,270**	**(86,282)**	**12,802**	**270,202**	**1,041,165**
處理於：	Dealt with by:							
本公司及附屬公司	Company and subsidiaries	382,749	1,424	460,270	(86,282)	12,802	217,529	988,492
聯營公司	Associated companies	–	–	–	–	–	52,673	52,673
		382,749	1,424	460,270	(86,282)	12,802	270,202	1,041,165
於一九九九年一月一日	At January 1, 1999	382,749	1,424	460,270	(86,282)	12,802	270,202	1,041,165
本年度溢利處理於：	Profit for the year dealt with by:							
本公司及附屬公司	Company and subsidiaries	–	–	–	–	–	302,304	302,304
聯營公司	Associated companies	–	–	–	–	–	57,713	57,713
股份購回	Repurchase of shares	–	162	–	–	–	(3,563)	(3,401)
發行新股溢價	Premium on issue of shares	–	–	18,185	–	–	–	18,185
支付／擬派股息	Dividends paid/proposed	–	–	–	–	–	(243,527)	(243,527)
出售附屬公司引致之綜合商譽撥回（附註(1)）	Goodwill written back on disposal of a subsidiary (note (1))	–	–	–	–	–	1,398	1,398
海外附屬公司及分公司賬目換算差額	Exchange differences arising from translation of the accounts of overseas subsidiaries and a branch	–	–	–	6,272	–	–	6,272
於一九九九年十二月三十一日	**At December 31, 1999**	**382,749**	**1,586**	**478,455**	**(80,010)**	**12,802**	**384,527**	**1,180,109**
處理於：	Dealt with by:							
本公司及附屬公司	Company and subsidiaries	382,749	1,586	478,455	(80,010)	12,802	274,141	1,069,723
聯營公司	Associated companies	–	–	–	–	–	110,386	110,386
		382,749	1,586	478,455	(80,010)	12,802	384,527	1,180,109

20. 儲備金（續）

20. RESERVES (Cont'd)

(a) 集團（續）

(a) Group (Cont'd)

附註(1)： 本集團其中之一全資附屬公司在本年度內申請撤銷註冊，此數為於年前購入該附屬公司時未有在綜合損益賬中支銷之綜合商譽。該附屬公司在申請撤銷註冊期間並無淨資產。

note (1): The balance represents goodwill, which was not previously charged to the consolidated profit and loss account in respect of a wholly-owned subsidiary that has applied for de-registration during the year. The said subsidiary has no net assets at the time of de-registration.

其他儲備乃根據中華人民共和國（「中國」）有關法律及財務法規，從集團於中國之附屬公司按稅後溢利提取之法定儲備基金。根據有關法例，儲備基金可用於彌補往年虧損及增加該等附屬公司之資本額。

Other reserves represent the transfer of profit to the statutory reserve funds of the subsidiaries in the People's Republic of China ("PRC") in accordance with the relevant laws and financial regulations. According to the relevant regulations, the reserve funds may be used to make up prior years' losses, if any, and to increase the capital of the subsidiaries.

(b) 公司

(b) Company

		繳入盈餘 Contributed surplus 千港元 HK$'000	資本贖回儲備 Capital redemption reserve 千港元 HK$'000	股份溢價 Share premium 千港元 HK$'000	滾存溢利 Retained profits 千港元 HK$'000	總數 Total 千港元 HK$'000
於一九九八年一月一日	At January 1, 1998	540,065	875	460,270	72,961	1,074,171
股份購回	Repurchase of shares	–	549	–	(5,676)	(5,127)
本年度溢利	Profit for the year	–	–	–	89,889	89,889
支付／擬派股息	Dividends paid/proposed	–	–	–	(31,540)	(31,540)
於一九九八年十二月三十一日	**At December 31, 1998**	**540,065**	**1,424**	**460,270**	**125,634**	**1,127,393**
於一九九九年一月一日	At January 1, 1999	540,065	1,424	460,270	125,634	1,127,393
股份購回	Repurchase of shares	–	162	–	(3,563)	(3,401)
發行新股溢價	Premium on issue of shares	–	–	18,185	–	18,185
本年度溢利	Profit for the year	–	–	–	253,268	253,268
支付／擬派股息	Dividends paid/proposed	–	–	–	(243,527)	(243,527)
於一九九九年十二月三十一日	**At December 31, 1999**	**540,065**	**1,586**	**478,455**	**131,812**	**1,151,918**

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20. 儲備金（續）

20. RESERVES (Cont'd)

(b) 公司（續）

(b) Company (Cont'd)

繳入盈餘乃指本公司透過一項於一九九五年五月二十九日完成之協議計劃而發行以換取佐丹奴企業有限公司全部已發行普通股之本公司股份的面值及其附屬公司資產淨值之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘可分派予各股東。

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued ordinary shares of Giordano Holdings Limited and the net asset value of its underlying subsidiaries pursuant to a scheme of arrangement which was completed on May 29, 1995. Under the Companies Act 1981 of Bermuda (as amended) the contributed surplus is distributable to the shareholders.

於一九九九年十二月三十一日，本公司之滾存溢利及可供分配之繳入盈餘為671,877,000港元（一九九八年：665,699,000港元）。

As at December 31, 1999 the retained profits of the Company together with the contributed surplus available for distribution amounted to HK$671,877,000 (1998: HK$665,699,000).

21. 融資租賃債務

21. OBLIGATIONS UNDER FINANCE LEASES

		集團 Group	
		1999	1998
		千港元	千港元
		HK$'000	HK$'000
融資租賃債務之償還期：	**Obligations under finance leases are repayable:**		
一年內	Within one year	**4,258**	4,261
第二至第五年內	In the second to fifth years inclusive	**17,030**	17,030
五年以上	Over five years	**710**	4,968
		21,998	26,259
於一年內到期並列入流動負債之款項	Amounts due within one year included under current liabilities	**(4,258)**	(4,261)
		17,740	21,998

融資租賃債務毋須於五年內全數償還之部分由一九九五年三月一日至二零零五年二月二十八日以每月固定分期付款方式支付。尚未償還銀行貸款之利息乃按年息12厘（一九九八年：12厘）計算。

Obligations under finance lease not wholly repayable within five years are repayable by installments from March 1, 1995 to February 28, 2005. Interest is charged on the outstanding balance at 12% (1998: 12%).

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22. 少數股東權益 22. MINORITY INTERESTS

於一九九九年十二月三十一日，少數股東權益是指外界股東所佔本集團其中四間附屬公司資產淨值之權益：

At December 31, 1999, the minority interests represent the outside shareholders' interest in the net asset value of four subsidiaries:

		集團 Group	
		1999 千港元 HK$'000	1998 千港元 HK$'000
投資股本	Share capital invested	**7,567**	417
經營業績	Operating results	**925**	627
		8,492	1,044

23. 承擔 23. COMMITMENTS

(a) 營業租約之承擔 (a) Commitments under operating leases

於一九九九年十二月三十一日，本集團於下年度就零售店舖、辦公室、工廠及貨倉所需支付之最低租賃承擔如下：

At December 31, 1999, the Group had minimum commitments under operating leases in respect of retail shops, office premises, factories and warehouses to make payments in the next year as set out below:

		1999 千港元 HK$'000	1998 千港元 HK$'000
於下列期間屆滿之營業租約：	**Operating leases which expire:**		
一年內	Within one year	**56,061**	49,216
第二至第五年內	In the second to fifth years inclusive	**227,757**	224,774
五年以上	Over five years	**6,358**	5,329
		290,176	279,319

(b) 資本承擔 (b) Capital commitments

於一九九九年十二月三十一日，本集團有以下之資本承擔：

At December 31, 1999, the Group had the following capital commitments:

		1999 千港元 HK$'000	1998 千港元 HK$'000
已就發展中物業及其他設備簽訂合約但未在賬目內作出撥備之資本開支	Contracted but not provided for in the accounts in respect of property under development and other equipment	**4,067**	2,500

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24. 或然負債

24. CONTINGENT LIABILITIES

於一九九九年十二月三十一日，本集團及本公司有如下並無包括在賬目內之或然負債：

At December 31, 1999, the Group and Company had contingent liabilities not included in the accounts in respect of the following:

		集團 Group		公司 Company	
		1999 千港元 HK$'000	1998 千港元 HK$'000	**1999 千港元 HK$'000**	1998 千港元 HK$'000
代替水電按金之銀行擔保	Bank guarantees in lieu of utility deposits	**6,794**	5,146	**70**	70
已發出之保證票據	Guarantee notes issued	**50,523**	64,275	**–**	–
		57,317	69,421	**70**	70

25. 除稅前溢利及經營業務所得現金流入淨額之調節

25. RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

		1999 千港元 HK$'000	1998 千港元 HK$'000
除稅前溢利	**Profit before taxation**	**421,219**	88,343
利息收入淨額	Net interest income	**(22,951)**	(7,247)
所佔聯營公司盈利	Share of profits of associated companies	**(73,381)**	(21,491)
出售附屬公司之虧損	Loss on disposal of a subsidiary	**1,398**	–
固定資產折舊	Depreciation of fixed assets	**70,534**	82,100
無形資產及其他投資攤銷	Amortization of intangible assets and other investments	**799**	1,082
出售固定資產之虧損	Loss on disposal of fixed assets	**8,583**	13,665
出售其他投資項目之盈利	Profit on disposal of other investments	**–**	(386)
存貨之減少	Decrease in inventories	**73,451**	88,377
應收賬款及票據、其他應收款、按金及預付款項之(增加)／減少	(Increase)/decrease in trade and bills receivable, other receivables, deposits and prepayments	**(9,193)**	22,155
應付賬款及票據、其他應付款及應計費用之增加／(減少)	Increase/(decrease) in trade and bills payable, other payables and accruals	**136,796**	(29,649)
經營業務所得現金流入淨額	**Net cash inflow from operating activities**	**607,255**	236,949

26. 本年度融資變動分析

26. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

		股本 Share capital 千港元 HK$'000	股本溢價 Share premium 千港元 HK$'000	融資租賃債務 Obligations under finance leases 千港元 HK$'000
一九九九年一月一日之結餘	Balance at January 1, 1999	69,979	460,270	26,259
融資所得現金流出額	Cash outflow from financing	839	18,185	(4,261)
股份購回轉入資本贖回儲備	Repurchase of shares transferred to capital redemption reserve	(162)	–	–
一九九九年十二月三十一日之結餘	**Balance at December 31,1999**	**70,656**	**478,455**	**21,998**

一九九八年之比較數字如下：

The comparative figures for 1998 are set out as follows:

		股本 Share capital 千港元 HK$'000	股本溢價 Share premium 千港元 HK$'000	融資租賃債務 Obligations under finance leases 千港元 HK$'000
一九九八年一月一日之結餘	Balance at January 1, 1998	70,528	460,270	30,606
上年度滾存之換算差額	Translation difference on opening balance	–	–	23
融資所得現金流出額	Cash outflow from financing	–	–	(4,370)
股份購回轉入資本贖回儲備	Repurchase of shares transferred to capital redemption reserve	(549)	–	–
一九九八年十二月三十一日之結餘	**Balance at December 31,1998**	69,979	460,270	26,259

27. 現金及現金等額結存分析

27. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

		1999 千港元 HK$'000	1998 千港元 HK$'000
現金及銀行結存	Cash and bank balances	**802,974**	339,768
減：三個月以上之銀行定期存款	Deduct: Bank deposits with maturity over three months from date of deposits	**(182,818)**	–
		620,156	339,768

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28. 附屬公司 28. SUBSIDIARIES

根據董事之意見，下列乃主要影響本集團本年度業績或構成本集團主要資產淨值之主要附屬公司：

The following includes the principal subsidiaries of the Company which, in the opinion of the directors, were significant to the results of the year or formed a substantial portion of the net assets of the Group:

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	持有股份百分比 Effective percentage of equity holding 1999	1998	已發行及全數繳足股本或已繳資本 Issued and fully paid share capital or capital contribution	主要業務及經營地區 Principal activities and place of operation
東莞智興製衣有限公司* Dongguan Chihing Garments Ltd.*	中國 PRC	**100**	100	42,558,499港元 HK$42,558,499	擁有位於中國大陸興建中之廠房 Owning a factory under construction in Mainland China
East Jean Limited*	香港 Hong Kong	**100**	100	普通股 1,000,000港元 Ordinary HK$1,000,000	在台灣經營零售服裝及配襯用品 Retailing of apparel and accessories in Taiwan
佐丹奴有限公司* Giordano Limited*	香港 Hong Kong	**100**	100	普通股 5,000,000港元 Ordinary HK$5,000,000	在香港經營零售服裝及配襯用品 Retailing of apparel and accessories in Hong Kong
Giordano (M) Sdn. Bhd.	馬來西亞 Malaysia	**100**	100	普通股 100,000 馬來西亞幣 Ordinary RM100,000	在馬來西亞經營零售服裝及配襯用品 Retailing of apparel and accessories in Malaysia
Giordano (Macau) Limited*	澳門 Macau	**100**	100	股本 50,000澳門幣 Quotas MOP50,000	在澳門經營零售服裝及配襯用品 Retailing of apparel and accessories in Macau
Giordano Originals (Singapore) Private Limited	新加坡共和國 Republic of Singapore	**100**	100	普通股 1,900,002 新加坡元 Ordinary S$1,900,002	在新加坡經營零售服裝及配襯用品 Retailing of apparel and accessories in Singapore

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28. 附屬公司（續） 28. SUBSIDIARIES (Cont'd)

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	持有股份百分比 Effective percentage of equity holding 1999	1998	已發行及全數繳足股本或已繳資本 Issued and fully paid share capital or capital contribution	主要業務及經營地區 Principal activities and place of operation
Giordano (Thai) Co., Ltd.*	泰國 Thailand	**100**	100	普通股 10,000,000泰銖 Ordinary THB10,000,000	在泰國經營零售服裝及配襯用品 Retailing of apparel and accessories in Thailand
亮志製衣有限公司* Gloss Mind Garment Manufacturing Company Limited*	香港 Hong Kong	**100**	100	普通股 1,000,000港元 Ordinary HK$1,000,000	在中國大陸製造精細針織服裝及梭織品 Manufacturing of fine knitwear and woven products in Mainland China
劉黃顧問有限公司 Lau, Wong & Associates Consultants Limited	香港 Hong Kong	**51**	51	普通股 200,000港元 Ordinary HK$200,000	在香港及中國大陸提供管理顧問服務 Management consultancy service in Hong Kong and Mainland China
深圳虎威製衣有限公司* Shenzhen Tiger Garment Limited*	中國 PRC	**100**	100	15,100,000人民幣 RMB15,100,000	在中國深圳投資控股，製造及銷售服裝及配襯用品 Investment holding, manufacturing and retailing of apparel and accessories in Shenzhen, Mainland China
虎威企業有限公司 Tiger Enterprises Limited	香港 Hong Kong	**100**	100	普通股 1,000港元 無投票權遞延股 60,000,000港元 Ordinary HK$1,000 Non-voting deferred HK$60,000,000	在中國大陸投資控股 Investment holding in Mainland China

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28. 附屬公司（續） 28. SUBSIDIARIES (Cont'd)

附屬公司名稱 Name of subsidiary	註冊成立地點 Place of incorporation	持有股份百分比 Effective percentage of equity holding 1999	1998	已發行及全數繳足股本或已繳資本 Issued and fully paid share capital or capital contribution	主要業務及經營地區 Principal activities and place of operation
Tobo Knitting Limited*	英屬處女群島 British Virgin Islands	**100**	100	普通股 1美元 Ordinary US$1	在中國大陸從事織染加工 Knitting and dyeing processing in Mainland China
東寶紡織實業有限公司* Tobo Textile Limited*	香港 Hong Kong	**100**	100	普通股 2港元 Ordinary HK$2	在中國大陸從事針織布及紗之貿易 Trading of yarns and knitted fabrics in Mainland China
Walton International Limited*	開曼群島 Cayman Islands	**100**	100	普通股 102美元 Ordinary US$102	批授商標專利權 Licensing of trademarks

* *間接附屬公司*

* *Subsidiaries held indirectly*

29. 賬目通過 29. APPROVAL OF ACCOUNTS

本年度賬目已於二零零零年三月二日由董事會通過。

The accounts were approved by the board of directors on March 2, 2000.

		綜合基準 Consolidated				
		1999	1998	1997	1996	1995
		千港元	千港元	千港元	千港元	千港元
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
業績	**Results**					
營業額	Turnover	**3,092,171**	2,609,248	3,014,364	3,522,047	3,481,967
除特殊項目外之經營溢利	Operating profit excluding exceptional items	**347,838**	66,852	172,030	293,531	289,483
特殊項目	Exceptional items	**–**	–	(116,166)	–	–
經營溢利（扣除融資成本）	Operating profit (after finance costs)	**347,838**	66,852	55,864	293,531	289,483
應佔聯營公司溢利	Share of profits of associated companies	**73,381**	21,491	26,148	21,871	4,765
除税前溢利	Profit before taxation	**421,219**	88,343	82,012	315,402	294,248
税項	Taxation	**(59,540)**	(12,179)	(19,351)	(54,170)	(31,653)
除税後溢利	Profit after taxation	**361,679**	76,164	62,661	261,232	262,595
少數股東權益	Minority interests	**(1,662)**	(77)	5,314	1	(12,367)
本年度溢利	Profit for the year	**360,017**	76,087	67,975	261,233	250,228
每股盈利－基本	Earnings per share – Basic	**51.3¢**	10.8¢	9.6¢	36.9¢	38.8¢
資產	**Assets**					
無形資產	Intangible assets	**2,168**	2,998	2,505	4,974	5,950
遞延税項	Deferred taxation	**–**	7,447	4,566	3,334	–
固定資產	Fixed assets	**279,536**	240,161	284,084	354,576	375,413
發展中物業	Property under development	**133,972**	133,060	106,765	99,454	48,705
所佔聯營公司之權益	Interest in associated companies	**99,019**	49,920	42,096	43,763	28,562
其他投資	Other investments	**–**	–	122	835	2,111
流動資產	Current assets	**1,397,346**	1,001,804	968,527	1,083,809	1,063,123
總資產	Total assets	**1,912,041**	1,435,390	1,408,665	1,590,745	1,523,864
負債	**Liabilities**					
流動負債	Current liabilities	**635,044**	301,204	314,328	413,535	567,126
非流動負債	Non-current liabilities	**17,740**	21,998	26,308	30,686	36,719
少數股東權益及貸款	Interests of and loan from minority shareholders	**8,492**	1,044	(912)	8,257	8,280
		661,276	324,246	339,724	452,478	612,125
資產淨值	**Net assets**	**1,250,765**	1,111,144	1,068,941	1,138,267	911,739

茲通告Giordano International Limited(「本公司」)謹訂於二零零零年四月二十六日星期三上午十時三十分假座香港中環干諾道中壹號富麗華酒店四樓維多利亞廳舉行股東週年大會,處理下列事項:

1. 省覽截至一九九九年十二月三十一日止年度之經審核賬目、董事會及核數師報告書。
2. 宣布派發截至一九九九年十二月三十一日止年度之末期股息。
3. 宣布派發截至一九九九年十二月三十一日止年度之特別股息。
4. 重選退任董事。
5. 續聘核數師及授權董事會釐定其酬金。
6. 作為特別事項,考慮並酌情通過或經修訂後通過下列決議案為普通決議案:

普通決議案

(1) 「**動議**:

(A) 無條件授予本公司董事會一項一般性授權,可於有關期間內發行、配發或處理本公司股本中之額外股份,並作出或授予可能須行使該等權力之建議、協議及購股權,惟須符合下列條件:

(a) 該項授權之有效期不可超越有關期間,但本公司董事會可在有關期間內作出或授予可能於有關期間內或屆滿後行使該等權力之建議、協議及購股權;及

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Giordano International Limited (the "Company") will be held at Victoriana Room, 4th Floor, Furama Hotel Hong Kong, 1 Connaught Road Central, Hong Kong on Wednesday, April 26, 2000 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited accounts and the reports of the directors and auditors for the year ended December 31, 1999.
2. To declare a final dividend for the year ended December 31, 1999.
3. To declare a special dividend for the year ended December 31, 1999.
4. To re-elect retiring directors.
5. To re-appoint the auditors and to authorize the directors to fix their remuneration.
6. As special business, to consider and, if thought fit, pass, with or without amendment, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

(1) "**THAT**:

(A) a general mandate be and is hereby unconditionally given to the directors of the Company during the Relevant Period to issue, allot or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power, subject to the following conditions:

(a) such mandate shall not extend beyond the Relevant Period save that the directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers at any time during or after the end of the Relevant Period; and

(b) 本公司董事會依據上述授權而配發、發行或處理本公司股本中之股份（除因：(aa)供股；或(bb)依據本公司所發行賦有權力認購或購買本公司股份之認股權證或其他證券之條款而行使認購權或兑換股權；或(cc)行使本公司股東已採納可向本公司及／或其任何附屬公司僱員授出購股權認購本公司股份之僱員購股權計劃所授出之購股權；或(dd)根據本公司細則訂立之以股代息或其他類似計劃而發行之股份除外）面值總額不得超過本公司於通過本決議案當日已發行股本面值總額之20%；及

(b) the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the directors of the Company pursuant to such mandate, otherwise than pursuant to (aa) a Rights Issue; or (bb) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (cc) the exercise of any option under any share option scheme of the Company adopted by its shareholders for the grant or issue to employees of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire shares of the Company; or (dd) any scrip dividend or other similar scheme implemented in accordance with the Bye-Laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and

(B) 就本決議案而言：

「有關期間」乃指本決議案獲通過之日起至下列最早日期止之期間：

(a) 本公司下屆股東週年大會結束；

(b) 依照本公司細則或百慕達適用之法例規定本公司須召開下屆股東週年大會之期限屆滿之日；及

(c) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案所給予之授權。

(B) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-Laws or any applicable laws of Bermuda to be held; and

(c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

「供股」乃指本公司董事會於所定期間內根據某一指定記錄日期名列股東名冊之股東於該日之持股比例向彼等提出之股份發售建議(惟本公司董事會有權就零碎配額，或就考慮任何香港以外地區但適用於本公司之法律及法規下之限制或責任或任何認可管制機構或任何證券交易所之規定後，作出其認為必須或權宜取消若干股東在此方面之權利或作出其他安排)。」

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares on its register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognized regulatory body or stock exchange in any territory outside Hong Kong)."

(2) 「**動議**：

(A) 無條件授予本公司董事會一項一般性授權，可於有關期間內行使本公司一切權力購回本公司股本中之股份，惟須符合下列條件：

(a) 根據該項授權行使一切權力，惟須遵守所有適用法例及香港聯合交易所有限公司證券上市規則或任何其他適用之證券交易所規定；及

(b) 本公司依據上述授權而購回之本公司股本中之股份面值總額，不得超過本公司於通過本決議案當日已發行股本面值總額之10%；及

(B) 就本決議案而言：

「有關期間」乃指本決議案獲通過之日起至下列最早日期止之期間：

(a) 本公司下屆股東週年大會結束；

(2) "**THAT**:

(A) a general mandate be and is hereby unconditionally given to the directors of the Company during the Relevant Period to exercise all powers of the Company to purchase shares in the capital of the Company subject to the following conditions:

(a) the exercise of all powers pursuant to such mandate shall be subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other applicable stock exchange; and

(b) the aggregate nominal amount of shares in the share capital of the Company which may be purchased pursuant to such mandate shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and

(B) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) 依照本公司細則或百慕達適用之法例規定本公司須召開下屆股東週年大會之期限屆滿之日；及

(c) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案所給予之授權。」

(3) 「**動議**批准將本公司董事會根據上文第6(1)項決議案所獲可在有關期間(按該決議案之定義)發行、配發或處理本公司之額外股份之一般授權擴大，使根據該項一般授權可發行、配發或處理之本公司股份面值總額增加，而加幅等於本公司董事會行使本公司權力所購回之股份面值總額，惟該增幅不可超逾本公司於通過本決議案當日已發行股本面值總額之10%。」

(b) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-Laws or any applicable laws of Bermuda to be held; and

(c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

(3) "**THAT** the general mandate granted to the directors of the Company pursuant to the authority given in the resolution set out as Resolution 6(1) to issue, allot or otherwise deal with additional shares of the Company during the Relevant Period (as defined in that Resolution) be and is hereby extended by the addition to the aggregate nominal amount of shares in the capital of the Company which may be issued, allotted or otherwise dealt with pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company purchased by the directors of the Company pursuant to their exercise of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution."

承董事會命
聶羨萍
公司秘書

香港，二零零零年三月四日

By Order of the Board
LIP SIN PING, ALICE
Company Secretary

Hong Kong, March 4, 2000

附註：

(1) 凡有權出席上文通告所召開之大會並於大會上投票之股東，均有權委派一位或以上之代表出席，並於投票表決時代其投票。受委代表毋須為本公司股東。

(2) 代表委任表格連同簽署人之授權書或其他授權文件(如有)或經由公證人簽署證明之授權書或授權文件副本，須於大會或其任何續會指定舉行時間最少四十八小時前送達本公司之香港股份過戶登記分處雅柏勤證券登記有限公司，地址為香港中環太子大廈2401室，方為有效。

(3) 本公司將由二零零零年四月十九日至二零零零年四月二十六日(首尾兩日包括在內)暫停辦理股份過戶登記手續。為確保獲得將在股東週年大會上批准派發之末期及特別股息(約於二零零零年五月二十五日派發)，務請將所有過戶文件連同有關股票最遲須於二零零零年四月十八日下午四時前送達本公司之香港股份過戶登記分處雅柏勤證券登記有限公司，地址為香港中環太子大廈2401室，辦理登記手續。

(4) 建議股東參閱年報中的附錄 – 說明文件所載之以上通告所列之普通決議案第2、3及6(2)項之重要資料。

(5) 關於以上通告中普通決議案第6(1)及6(3)項授予本公司董事會之一般性授權，旨在使彼等可發行最多達一指定數目之股份而無須事先獲得股東大會上批准，以應付例如須在短期內完成需要發行股份之交易(例如收購事項)。董事會認為獲得該項一般性授權將對本公司有利。董事會茲表明現時並無計劃發行本公司任何新股份。

Notes:

(1) A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company.

(2) To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's branch share registrars in Hong Kong, Abacus Share Registrars Limited, 2401 Prince's Building, Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting and any adjourned meeting.

(3) The register of members of the Company will be closed from April 19, 2000 to April 26, 2000, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final and special dividends (which will be payable on or about May 25, 2000) to be approved at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Abacus Share Registrars Limited, 2401 Prince's Building, Central, Hong Kong, for registration not later than 4:00 p.m. on April 18, 2000.

(4) Shareholders are recommended to read the Appendix – Explanatory Statement to the Annual Report which contains important information concerning the ordinary resolutions set out in items 2, 3 and 6(2) in the above notice.

(5) Concerning the ordinary resolutions set out in items 6(1) and 6(3) in the above notice, the purpose of the general mandate to be conferred on the directors of the Company is to enable them to issue shares up to a specified number without having to first obtain the consent of shareholders in general meeting. The need for such an issue of shares could, for example, arise in the context of a transaction (such as an acquisition) which has to be completed speedily. The directors believe that it is in the interest of the Company if such a general mandate is granted to them. The directors wish to state that they presently do not have any immediate plans to issue any new shares in the Company.

香港聯合交易所有限公司對下列資料的內容概不負責，對其準確性或完整性亦不發表任何聲明。並明確表示概不就因下列全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of the following information, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the following information.

以股代息計劃

本公司董事會(「董事會」)建議派發截至一九九九年十二月三十一日止年度之末期股息每股11.0港仙及特別股息每股17.0港仙(「該等股息」)予二零零零年四月二十六日(「記錄日期」)營業時間結束時名列本公司股東名冊之股東。該等股息將以現金方式派發，而股東有權選擇就部分或全部股息以配發及發行並入賬列作已繳足本公司每股面值0.10港元之本公司股份(「股份」)(「代息股份」)代替現金方式收取(「以股代息計劃」)。以股代息計劃須待本公司股東於二零零零年四月二十六日舉行之股東週年大會(「股東週年大會」)上批准派發該等股息及待香港聯合交易所有限公司(「聯交所」)批准代息股份上市及買賣。

於記錄日期名列本公司股東名冊所登記之地址為香港以外地區之股東，將不獲參與以股代息計劃，因此該等股東將會全數以現金方式收取該等股息。

就計算代息股份之數目，代息股份之價值，將參照股份於聯交所截至並包括二零零零年四月二十六日止連續五個交易日之平均收市價或股份之面值(以較高者為準)而釐定。

每名股東獲發行之代息股份數目將向下計至最接近之整數。零碎之代息股份將會彙集出售，所得款項淨額撥歸本公司所有。

SCRIP DIVIDEND SCHEME

The directors of the Company ("Directors") recommended the payment of a final dividend of 11.0 HK cents per share and a special dividend of 17.0 HK cents per share ("Dividends") for the year ended December 31, 1999, both by way of cash with the option for shareholders to elect to receive an allotment and issue of shares of HK$0.10 each in the capital of the Company ("Shares") credited as fully paid in lieu of cash ("Scrip Shares") in respect of part or all of the Dividends ("Scrip Dividend Scheme"), payable to shareholders whose names appear on the register of members of the Company as at the close of business on April 26, 2000 ("Record Date"). The Scrip Dividend Scheme is subject to the approval of shareholders of the payment of the Dividends at the Annual General Meeting to be held on April 26, 2000 ("Annual General Meeting") and the granting by The Stock Exchange of Hong Kong Limited ("Stock Exchange") of the listing of, and permission to deal in, the Scrip Shares.

Shareholders whose registered addresses are outside Hong Kong as shown in the register of members of the Company on the Record Date will not be permitted to participate in the Scrip Dividend Scheme and accordingly they will receive the Dividends wholly in cash.

For the purpose of calculating the number of Scrip Shares, the value of the Scrip Shares will be fixed by reference to the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days up to and including April 26, 2000 or the par value of Shares, whichever is the higher.

The number of Scrip Shares to be issued to each shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares will be aggregated and sold the net proceeds being retained for the benefit of the Company.

代息股份將與於發行日期已有之股份享有同等地位，惟無權享有截至一九九九年十二月三十一日止年度之該等股息。

The Scrip Shares will rank pari passu in all respects with the Shares existing as at the date of issue save that they will not be entitled to the Dividends for the year ended December 31, 1999.

待建議派發之該等股息獲股東在股東週年大會上批准後，本公司將於股東週年大會後下一個營業日就有關代息股份之配發基準作出公布。一份載有有關以股代息計劃進一步詳情及代息股份配發基準之通函連同選擇表格約於二零零零年五月三日寄予各股東。

On the condition that the proposed payment of the Dividends is approved by shareholders at the Annual General Meeting, an announcement in relation to the basis of allotment of Scrip Shares will be published on the next business day after the Annual General Meeting and a circular containing further details of the Scrip Dividend Scheme and the basis of allotment of Scrip Shares together with a form of election will be despatched to shareholders on or about May 3, 2000.

本公司將向聯交所上市委員會提呈有關批准代息股份上市及買賣之申請。代息股份並無在任何其他證券交易所上市或買賣，現時亦無申請或建議申請在任何其他證券交易所上市或買賣。

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares. The Scrip Shares are not listed on or dealt in on any other stock exchange and no listing or permission to deal is being or is proposed to be sought.

本公司將由二零零零年四月十九日起至二零零零年四月二十六日止(首尾兩日包括在內)暫停辦理股份之過戶登記手續。因此，附帶權利獲得該等股息之股份，其最後買賣日期將為二零零零年四月十四日。股東如欲獲得擬派之該等股息，所有股份過戶文件連同有關股票最遲須於二零零零年四月十八日下午四時前送達本公司於香港之股份過戶登記分處雅柏勤證券登記有限公司，地址為香港中環太子大廈2401室，以便辦理登記。

The register of members of the Company will be closed from April 19, 2000 to April 26, 2000, both days inclusive, during which period no share transfer shall be effected. Accordingly, the last day of dealings in Shares cum entitlements to the Dividends will be April 14, 2000. In order to qualify for the proposed Dividends, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Abacus Share Registrars Limited, 2401 Prince's Building, Central, Hong Kong, for registration by no later than 4:00 p.m. on April 18, 2000.

購回股份授權

以下說明文件乃根據聯交所證券上市規則(「上市規則」)送達各股東，有關將於股東週年大會上提呈的一項普通決議案，以授予董事會一般性及無附帶條件授權以便在直至本公司下屆股東週年大會或在普通決議案所列明之較早期間內，隨時行使本公司之權力，以購回本公司股本中之股份最多不超過於決議案通過當日本公司已發行股本之10%(「購回股份授權」)。

SHARE REPURCHASE MANDATE

The following is the explanatory statement required to be sent to shareholders under The Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") relating to an ordinary resolution to be proposed at the Annual General Meeting to approve a general and unconditional mandate to be given to Directors to exercise the powers of the Company to repurchase, at any time until the next annual general meeting of the Company or such earlier period as stated in the ordinary resolution, Shares representing up to a maximum of 10% of the issued share capital of the Company at the date of the resolution ("Share Repurchase Mandate").

(A) 建議購回股份授權

建議董事會可行使本公司之權力，使董事會可購回之股份數目不得超過購回股份授權決議案通過之日，本公司已發行股份之10%。於二零零零年三月十七日，即印製本年報前最後可行日期，本公司已發行股份數目達707,650,000股。據此，全面行使購回股份授權(即在購回股份授權決議案通過日，本公司已發行股份數目之10%)，可讓本公司購回股份70,765,000股。

(A) Proposed Share Repurchase Mandate

It is proposed that the Directors may exercise the powers of the Company to repurchase up to 10% of the Shares in issue as at the date of the passing of the resolution to approve the granting to the Directors the Share Repurchase Mandate. As at March 17, 2000, being the latest practicable date prior to the printing of this annual report, the number of Shares in issue was 707,650,000 Shares. Accordingly, the exercise of the Share Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue as at the date of the passing of the resolution to approve the Share Repurchase Mandate) would enable the Company to repurchase 70,765,000 Shares.

(B) 購回原因

董事會深信倘若股東授予董事會該一般性授權於市場上購回股份，可使本公司及其股東有最佳利益。該回購只會當董事會根據市場實況及資金安排，認為購回股份可增加本公司資產淨值及／或股份盈利時，才會進行。

(B) Reason for Repurchase

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from shareholders of the Company to repurchase Shares in the market. A repurchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchase will be to the benefit of the Company.

(C) 購回之資金

預期購回任何股份所需之資金，必須是依據百慕達法例及本公司組織章程大綱及細則所規定可合法用於該用途之資金。董事會建議根據股份購回授權而作出之股份購回將由本公司之內部資源或現有之銀行信貸支付。

(C) Funding of Repurchase

Repurchases must be funded out of funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and the Bye-Laws of the Company. The Directors propose that repurchases of Shares under the Share Repurchase Mandate would be financed from the Company's internal resources or existing banking facilities.

(C) 購回之資金（續）

購回股份授權倘若全面付諸實行，可能會對本公司之營運資金或負債情況有重大之不利影響(比對本公司於其截至一九九九年十二月三十一日止年度之經審核賬目所披露之狀況而言)。董事會祇在彼等認為行使該授權並不會導致此等重大不利影響之情形下才會行使是項權力。

(C) Funding of Repurchase (Cont'd)

Whilst the Share Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the Company's audited accounts for the year ended December 31, 1999, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

(D) 股價

過去十二個月每月在聯交所錄得之股份最高及最低價如下：

(D) Shares Prices

The highest and lowest prices at which Shares have traded on the Stock Exchange in each of the previous twelve months were as follows:

		最高 Highest 港元 HK$	最低 Lowest 港元 HK$
一九九九年三月	March 1999	2.800	1.800
一九九九年四月	April 1999	3.925	2.225
一九九九年五月	May 1999	4.325	3.350
一九九九年六月	June 1999	5.800	4.200
一九九九年七月	July 1999	6.850	5.450
一九九九年八月	August 1999	7.500	5.850
一九九九年九月	September 1999	7.350	5.750
一九九九年十月	October 1999	8.300	6.100
一九九九年十一月	November 1999	8.350	7.350
一九九九年十二月	December 1999	8.250	7.400
二零零零年一月	January 2000	10.000	8.000
二零零零年二月	February 2000	10.800	7.650

(E) 一般資料

若股東批准購回股份授權予董事會，董事會或(在董事會作出一切合理查詢後確知)其任何關連人士現概無有意將股份售予本公司。

(E) General Information

There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates of Directors who have a present intention to sell Shares to the Company in the event that the Share Repurchase Mandate is granted by shareholders.

(E) 一般資料（續）

董事會已向聯交所保證將根據上市規則，百慕達法例及本公司組織章程大綱及細則，按照購回股份授權而行使本公司購回股份之權力。

就董事會所知，於印製本年報前最後可行日期，本公司根據證券(披露權益)條例第16條規定存置之登記冊內之記錄，並無任何人士直接或間接擁有本公司已發行股本10%或以上之權益。因此，董事會並不察覺如根據購回股份授權購回股份後會根據香港公司收購及合併守則而引起任何後果。

倘若股東批准購回股份授權，本公司之有關連人士(按上市規則所界定者)現時並無表示有意將股份售予本公司，而上述人士亦沒有保證不會將任何該股份售予本公司。

以下為本年報印製前六個月內，本公司在聯交所購回股份合共2,462,000股，所有購回之股份均已註銷：

(E) General Information (Cont'd)

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the laws of Bermuda and the Memorandum of Association and Bye-Laws of the Company.

So far as the directors are aware, no parties were, directly or indirectly, interested in 10% or more of the issued share capital of the Company as at the latest practicable date prior to the printing of this annual report as recorded in the register kept by the Company under Section 16 of the Securities (Disclosure of Interests) Ordinance. Accordingly, the Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any repurchases made pursuant to the Share Repurchase Mandate.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the Share Repurchase Mandate is granted by shareholders.

During the six months prior to the printing of this annual report, the Company had repurchased a total of 2,462,000 Shares on the Stock Exchange, all of which had been cancelled, as follows:

購回日期	Date of Repurchase	股份數目 Number of Shares	每股價格 Price per Share 最高 Highest 港元 HK$	每股價格 Price per Share 最低 Lowest 港元 HK$	總價格 Aggregate price 港元 HK$
二零零零年一月十三日	January 13, 2000	838,000	9.00	8.90	7,541,300
二零零零年一月十四日	January 14, 2000	1,100,000	9.00	8.95	9,890,800
二零零零年一月十七日	January 17, 2000	140,000	8.65	8.35	1,180,400
二零零零年一月二十一日	January 21, 2000	76,000	8.70	8.40	653,100
二零零零年一月二十四日	January 24, 2000	186,000	9.00	8.55	1,601,700
二零零零年一月二十七日	January 27, 2000	100,000	8.60	8.35	846,400
二零零零年一月二十八日	January 28, 2000	22,000	8.80	8.60	189,600
		2,462,000			21,903,300